PRESS RELEASE

TECHNICOLOR: FULL YEAR 2015 RESULTS

Upgrade of Drive 2020 objectives

- **Successful transformation of the Company around three leading Operating businesses and a core Licensing business thereby significantly increasing the Drive 2020 financial objectives;**
- **Strong Q4 2015 revenues at €1,154 million, up 15% YoY[1], due to increase in sales of Operating businesses[2] of 22% YoY[1], resulting from solid organic growth and the addition of recent acquisitions;**
- **Solid FY 2015 financial results, with a strong Group free cash flow generation of €256 million, up 22% YoY[3], bolstered by an Adjusted EBITDA of €565 million, up 3% YoY[3];**
- **Positive net income of €78 million;**
- **Increased dividend of €0.06 per share, up 20% versus last year, to be proposed to the General Meeting of Shareholders.**

Paris (France), 18 February 2016 – Technicolor (Euronext Paris: TCH; OTCQX: TCLRY) announces today its results for the full year 2015.

Frederic Rose, Chief Executive Officer of Technicolor, stated:

"In 2015, our teams closed successfully, and in parallel, a number of large acquisitions, while remaining focused on delivering a very strong free cash flow. Moving forward, Technicolor is a much more balanced company built on three leading Operating businesses and a core Licensing business underpinning our material upgrade of Drive 2020 objectives."

Key points

- Technicolor raises its Drive 2020 objectives with Adjusted EBITDA for 2020 above €750 million (vs. €500 million previously) and free cash flow in excess of €350 million (vs. €250 million previously);
- As expected, Connected Home resumed growth in the fourth quarter on a standalone basis and started integration of Cisco Connected Devices, while building a solid commercial pipeline for 2016;

[1] Change at constant currency excluding exited activities (Digital Cinema and Distribution Services, and IZ-ON)
[2] Comprising Entertainment Services excluding exited activities and Connected Home.
[3] Change at constant currency in FY 2015 compared to FY 2014.

- Production Services delivered again a strong performance in the fourth quarter, resulting in organic revenue growth in excess of 20% for the full year; integration of acquisitions are on-track, which will accelerate growth in 2016;
- DVD Services benefited from a strong slate of releases in the second half and from the addition of new customers both in Europe and in North America, which generated revenue growth of 9% in H2 2015;
- Overall growth in the Technology segment reflecting strong revenues from direct licensing programs in the first half and a higher contribution of the MPEG LA patent pool for the full year;
- Reinforced global leadership of each of the Group's Operating businesses (Connected Home and Entertainment Services) that will all benefit from their larger scale in 2016:
    - Connected Home expected to generate synergies in excess of €130 million by 2018 versus initial guidance of €100 million;
    - Production Services' strong portfolio of brands and unquestionable global leadership will support continued growth, particularly in the Advertising, Gaming and Animation markets;
    - DVD Services expected to achieve its best year ever in terms of volumes, driven by new customer additions and continued growth in Blu-ray™.
- Technology segment on good track to resume growth beyond 2017:
    - Key milestones in Patent Licensing such as the joint-licensing agreement with Sony for Digital TV program are expected to generate material revenue from 2018; whilst the first HEVC license agreement highlights the strength of the video coding portfolio;
    - Technology Licensing progressing in HDR (High Dynamic Range) initiative.
- Strong innovation and standardization pipeline: sustained development of Virtual Reality content and related technologies as well as numerous high quality technical contributions to next generation video standards;
- Gross debt increase related to the acquisitions mitigated by a strong cash position; leverage ratio (Net Debt to Adjusted EBITDA) of 1.74x at end December 2015 notwithstanding a very small contribution from the acquisitions in 2015;
- Significant increase of the dividend to be proposed to the General Meeting of Shareholders reflecting Group's confidence in its cash flow generation going forward.

2016 objectives

- Free cash flow in excess of €240 million;
- Adjusted EBITDA in the range of €600 million to €630 million, reflecting:
  - An Adjusted EBITDA in excess of €475 million for the Operating businesses versus €266 million in 2015;
  - For Technology, an Adjusted EBITDA in excess of €200 million versus €389 million in 2015, based on the contribution of licensing agreements already signed by the Group. This includes an expected final €60 million of Adjusted EBITDA generated by the MPEG LA patent pool compared to €288 million in 2015;
  - Corporate and Other Adjusted EBITDA for an amount at around €(80) million.
- Leverage ratio inferior to 1.4x at end December 2016 compared to a ratio of 1.74x at end December 2015.

Update on Drive 2020

In the second half of 2015, Technicolor completed two strategic acquisitions that cemented the Group's position as foremost a leading operating company serving the Media and Entertainment industry. In addition, the Group also acquired additional large studio customers in DVD Services and signed a major partnership in Technology with Sony. Thus, the Group benefits moving forward from a strengthened operating financial profile and is now focused on extracting the full benefits of this change in scale in its Operating businesses.

Technicolor expects to generate a free cash flow of at least €300 million in 2018, bolstered by an adjusted EBITDA of at least €660 million reflecting a strong margin improvement in the Operating businesses and an adjusted EBITDA of the Technology segment at €150 million. This is based on:

- Annual cost synergies above €130 million per annum on a run-rate basis in 2018 for the Connected Home segment;
- Further revenue growth in Production Services with sales above €800 million in 2018, while DVD Services should be around €1 billion, reflecting a 9% decline per annum from its high point of 2016, resulting in Production Services representing in excess of 50% of Entertainment Services adjusted EBITDA;
- Licensing revenues to recover from their low point in 2017, driven by the ramp up of the Digital TV program following the joint licensing agreement with Sony. These figures exclude any potential HEVC license revenues and material mobile devices license agreements.

Technicolor will use its cash to reduce its current level of indebtness as the Group aims to reach a Net Debt to Adjusted EBITDA ratio below 0.8x in 2018 and to subsequently increase return to shareholders through a mix of share buyback and dividend.

Technicolor has the ambition to reach an Adjusted EBITDA above €750 million and a free cash flow in excess of €350 million by 2020.

All objectives are at constant rate and perimeter.

Proposed dividend

The Board of Directors of Technicolor has decided to propose to the 2016 Annual General Meeting of Shareholders the payment of a cash dividend of €0.06 per share in relation with the 2015 financial year, which represents an increase of 20% compared to last year's dividend. Subject to shareholders' approval, the time schedule for the dividend payment will be as follows:

- Ex-dividend date: 24 May 2016;
- Dividend record date: 25 May 2016;
- Payment date of dividend: 26 May 2016.

Technicolor shares will trade ex-dividend as from the beginning of the trading session on May 24, 2016. Holders of Technicolor shares on 23 May 2016 selling their shares as from such date will keep their right to the dividend.

Summary of consolidated results for the full year of 2015 (unaudited)

Key financial indicators

In € million	Full Year 2014	Full Year 2015	Change YoY Reported	Change YoY At constant rate
Group revenues	**3,332**	**3,652**	**+9.6%**	**+2.4%**
Group revenues excluding exited activities	3,217	3,601	+12.0%	+4.7%
Adjusted EBITDA	**550**	**565**	**+2.6%**	**+3.1%**
As a % of revenues	16.5%	15.5%	(1.0)pt	
Adjusted EBIT	**368**	**374**	**+1.8%**	**+8.0%**
As a % of revenues	11.0%	10.2%	(0.8)pt	
EBIT from continuing operations	**302**	**264**	**(12.6)%**	**(0.9)%**
As a % of revenues	9.1%	7.2%	(1.9)pt	
Financial result	(117)	(87)	+30	
Income tax	(48)	(55)	(7)	
Share of profit/(loss) from associates	(0)	(1)	(1)	
Profit/(loss) from continuing operations	**137**	**121**	**(16)**	
Profit/(loss) from discontinued operations	(9)	(43)	(34)	
Net income	**128**	**78**	**(50)**	
Group free cash flow	**230**	**256**	**+26**	
Net financial debt at nominal value (non IFRS)	**645**	**985**	**+340**	
Net financial debt (IFRS)	583	908	+325	

Excluding exited activities, revenues increased 12.0% at current currency and 4.7% at constant currency, reflecting solid growth across the Entertainment Services and Technology segments and broadly stable Connected Home revenues. In Entertainment Services, revenues increased double-digits year-on-year at constant currency, as a result of strong organic growth and the contribution from recent acquisitions in Production Services, as well as resilient volume trends in DVD Services, due to a strong slate of new releases in the second half and the addition of new customers both in Europe and in North America. In Technology, revenues primarily benefited from an increased full year contribution from the MPEG LA patent pool, combined with a solid performance of the Group's direct licensing programs in the first half. In Connected Home, despite adverse business conditions in both North and Latin America, revenues remained almost stable year-over-year, driven by a material improvement in overall product mix across most regions and the inclusion of revenues related to the Cisco Connected Devices acquisition.

Adjusted EBITDA from continuing operations reached €565 million in 2015, up 3.1% at constant currency compared to 2014, representing a margin of 15.5%, down by 1 point year-on-year. The Adjusted EBITDA increase reflected a solid Licensing revenue performance, combined with strong organic growth in Production Services, partially offset by a weak DVD Services performance in the first half, the impact of unfavorable €/US$ exchange rate fluctuations on procurements for Connected Home in the second half, as well as a lower contribution from exited activities.

Adjusted EBIT from continuing operations amounted to €374 million in 2015, up 8.0% at constant currency compared to 2014, representing a margin of 10.2%, down by 0.8 point year-over-year. The Adjusted EBIT increase was the result of higher Adjusted EBITDA, partially offset by increased D&A expenses.

EBIT from continuing operations totaled €264 million in 2015, down 0.9% at constant currency compared to 2014. The Adjusted EBIT increase was fully offset by the impact of non-current items, including notably €(53) million of non-current items related to the Connected Home segment, of which M&A and integration costs related to the acquisition of Cisco Connected Devices for €24 million. The other non-current items that impacted the Connected Home segment included R&D write-offs and a settlement for a total of €(29) million. Other non-current items of the Group, including the restructuring costs, were related to the exited businesses in the Entertainment Services segment and the disposal of M-GO.

The Group's financial result totaled €(87) million in 2015 compared to €(117) million in 2014, reflecting:

- Net interest costs amounted to €63 million in 2015, a slight improvement year-on-year. The reduction in borrowing costs stemming from the refinancing and repricing transaction done in 2014 was partially offset by higher interest expense in the second half of 2015 due to the issuance of new Term Loan Debt to finance the acquisitions of Cisco Connected Devices and The Mill;
- Other financial charges amounted to €24 million in 2015, a significant improvement compared to 2014, which included an IFRS reversal recognized as a non-cash charge for €20 million due to the debt prepayments done during the year.

The Cathode-Ray Tube ("CRT") litigation case in the US, mentioned as a risk factor in the annual report, strongly accelerated in the course of 2015, particularly at the end of the year. Technicolor believes that there was renewed interest for the plaintiffs in involving it in the ongoing litigations as a result of the improvement of its financials. In 2015 and in early 2016, the Group has succeeded in entering into settlement agreements with the direct purchasers class, the indirect purchasers class and a number of major direct action plaintiffs. The amount of these settlements has been taken into account as an exceptional charge in 2015 for €49 million, out of which €36 million will be paid in 2016.

Net income was a profit of €78 million in 2015 compared to a profit of €128 million in 2014. Excluding the aforementioned CRT settlement, net income was stable year-on-year.

Statement of financial position and cash position

In € million	Full Year 2014	Full Year 2015	Change YoY Reported
Operating cash flow from continuing operations	398	410	+12
Group free cash flow	**230**	**256**	**+26**
Nominal gross debt	973	1,370	+397
Cash position	328	385	+57
Net financial debt at nominal value (non IFRS)	**645**	**985**	**+340**
IFRS adjustment	(62)	(77)	(15)
Net financial debt (IFRS)	**583**	**908**	**+325**

Operating cash flow from continuing operations, which is defined as Adjusted EBITDA less net capital expenditures and restructuring cash out, amounted to €410 million in 2015, up by €12 million compared to 2014. Operating cash flow represented 11.2% of total revenues, down by 0.8 point year-over-year, mostly reflecting lower Adjusted EBITDA margin. Capital expenditures amounted to €106 million in 2015, broadly stable year-on-year, as the Group continued to carefully manage spending. Cash outflow for restructuring totaled €48 million in 2015, up by €3 million year-on-year, reflecting the impact of exited activities, as well as continued cost optimization actions across the Group's businesses and at corporate level.

Group free cash flow amounted to €256 million in 2015, up by 22.1% at constant currency compared to 2014. Cash financial charges were €72 million in 2015, up from €67 million in 2014, due to higher interest costs in the second half of 2015 related to the issuance of new Term Loan Debt to finance the acquisitions of Cisco Connected Devices and The Mill. Working capital variation was positive €29 million, resulting from a favorable phasing of Licensing programs. Other cash charges, principally related to tax and pensions, amounted to €89 million in 2015, up from €72 million in 2014, primarily due to M&A and integration costs related to the acquisition of Cisco Connected Devices.

Nominal gross debt amounted to €1,370 million at end December 2015, up by €397 million compared to €973 million at end December 2014, primarily reflecting the issuance of €374 million incremental Term Loan Debt to finance the acquisitions of Cisco Connected Devices and The Mill. Other impacts included in particular a negative currency impact of €79 million mostly due to the appreciation of the US dollar against the euro, offset in part by mandatory Term Loan Debt repayments for €55 million.

The Group's cash position amounted to €385 million at end December 2015, up by €57 million compared to €328 million at end December 2014, due primarily to a strong free cash flow generation.

Net debt at nominal value amounted to €985 million at end December 2015, up by €340 million compared to €645 million at end December 2014, resulting in a nominal net debt to Adjusted EBITDA ratio of 1.74x at end December 2015 compared to 1.17x at end December 2014.

Segment review – FY 2015 result highlights

Connected Home

	FY 2014		FY 2015		Change YoY	
	In € million	As a % of revenues	In € million	As a % of revenues	Reported	At constant rate
Revenues	1,382		1,451		+5.0%	(0.3)%
o/w CCD[4]	-		86		ns	ns
Revenues excl. CCD	**1,382**		**1,365**		**(1.2)%**	**(5.7)%**
Adjusted EBITDA	77	5.6%	76	5.2%	(2.0)%	+5.8%
o/w CCD	-		2		ns	ns
Adj. EBITDA excl. CCD	**77**	**5.6%**	**74**	**5.4%**	**(4.3)%**	**+3.1%**

Connected Home revenues totaled €1,451 million in 2015, up 5.0% at current currency and almost stable at constant currency compared to 2014, including the contribution of the acquisition of Cisco Connected Devices completed in November. Excluding Cisco Connected Devices, revenues reached €1,365 million, down 5.7% year-on-year at constant currency, due to a decline in total product shipments to 30.6 million units in 2015 compared to a record high 2014 base, which was partially offset by a material improvement in overall product mix across most regions, including North America.

Even without the contribution of Cisco Connected Devices, Connected Home continued to outpace the global CPE market despite adverse business conditions experienced in some regions, driven by a number of new awards and customer wins, including high-end products. The segment achieved in particular a sustained performance in Europe, Middle-East & Africa and Asia-Pacific, both regions reporting a double-digit year-on-year growth in revenues, benefiting notably from a mix improvement associated with the introduction of new products and a further ramp up in the value chain. Connected Home faced however lower levels of activity in both North and Latin America, primarily reflecting cautious customer approach towards product orders and inventory management, due to pending industry consolidation in the US and unfavorable macroeconomic conditions in Brazil.

Gross margin was 15.6% in 2015, up by 0.3 point year-over-year, reflecting gross margin improvements across most regions, with the exception of Europe, Middle-East & Africa, due to the impact of unfavorable €/US$ exchange rate fluctuations on procurements. At constant currency, gross margin stood at 16.0%, up by 0.7 point year-over-year, reflecting solid operating execution and product cost improvement across the segment and improved overall product mix. Adjusted EBITDA reached €76 million in 2015 compared to €77 million in 2014, with a negative forex impact of €6 million. At constant currency, Adjusted EBITDA was €82 million, up by 5.8% compared to 2014, with a margin of 5.9%, up by 0.3 point year-over-year.

[4] Cisco Connected Devices ("CCD").

Excluding Cisco Connected Devices, Adjusted EBITDA margin for the Connected Home segment stood at 6.1%, a 0.5 point year-on-year increase at constant currency. The performance of Connected Home for 2015 includes the contribution of Cisco Connected Devices from 21 November 2015 (recording revenues of €86 million and Adjusted EBITDA of €2 million). Due to the timing of the operation, the transition process had just started as of December 2015 and thus the contribution of Cisco Connected Devices since 21 November 2015 is not representative of a recurring activity level expected from this business.

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Entertainment Services

	FY 2014		FY 2015		Change YoY	
	In € million	As a % of revenues	In € million	As a % of revenues	Reported	At constant rate
Revenues	1,432		1,676		+17.1%	+5.4%
o/w Exited activities	88		37		(57.4)%	(64.6)%
Revenues excl. exited act.	**1,344**		**1,639**		**+21.9%**	**+10.0%**
o/w DVD Services	971		1,071		+10.2%	(0.7)%
Production Services	372		568		+52.5%	+38.1%
Adjusted EBITDA	191	13.4%	192	11.5%	+0.3%	(6.2)%
o/w Exited activities	8		2		(75.8)%	(95.4)%
Adj. EBITDA excl. exited act.	**183**	**13.6%**	**190**	**11.6%**	**+3.8%**	**(2.1)%**

Entertainment Services revenues, excluding exited activities, were €1,639 million, up 10% year-on-year at constant currency, resulting from strong organic growth, the contribution from recent acquisitions in Production Services and solid revenues recorded by DVD Services.

- **Production Services** recorded a strong double-digit increase in revenues in 2015 compared to 2014. Revenues expanded by almost 40% year-on-year at constant currency, as a result of a strong double-digit organic revenue growth, mostly due to a record level of activity in Visual Effects for feature films, and the additions of Mr. X, OuiDo Productions, Mikros Images and The Mill.

  In 2015, Technicolor continued to grow at record levels in Visual Effects ("VFX") for feature films, with all facilities working on numerous projects at the same time and securing new awards during the year. This strong level of activity was coupled with the accretive integration of Mr. X that achieved a strong performance in the period on the back of a solid pipeline of projects, particularly for TV series. VFX for commercials and Animation activities also recorded higher revenues, resulting from increased levels of activity across facilities, while Postproduction revenues improved year-on-year.

  Technicolor continued in 2015 to demonstrate its positioning as a key partner for the premium content industry, providing VFX and/or Postproduction services to 10 of the top-16 grossing films of the year worldwide, including some of the best box office performers such as *Furious 7* (Universal), *Avengers: Age of Ultron* (Disney), *Spectre* (Sony) and *The Hunger Games: Mockingjay – Part 2* (Lionsgate). The Group also provided services to 18 of 2016 Oscar-nominated movies, with VFX teams at MPC being nominated in the Best VFX category for their work on *The Martian* (Fox). Moreover, the Group further confirmed its clear leadership in the premium broadcast market, notably in the US, providing services to more than 130 TV series for leading TV broadcasters and Over-the-Top ("OTT") services providers. During the year, Technicolor worked on some of the most popular TV series including *Scandal* (ABC), *The Big Bang Theory* (CBS), *Vampire Diaries* (CW) and *Game of Thrones* (HBO), and on original TV content for OTT players Amazon (*Bosh*, *Mozart in the Jungle*) and Netflix (*Daredevil*, *Narcos*, *Sense8*). In Animation and Games, the Group continued work on DreamWorks Animation TV series projects for Netflix including *All Hail King Julien*, *Dinotrux* and *The Adventures of Puss in Boots*, while contributing to popular video games titles from leading publishers including *Call of Duty: Black Ops III* (Activision), *NBA 2K16* (Take-Two), *Rise of the Tomb Raider* (Square Enix) and *FIFA 16* (Electronics Arts).

- **DVD Services** revenues were generally stable at constant currency in 2015 compared to 2014, driven by resilient total Standard Definition DVD, Blu-ray™ and CD disc volumes, which were down less than 1% year-on-year, reflecting a marked improvement compared to the c.11% volume decline recorded in 2014. This volume performance was supported by a stronger overall release slate from the Group's key studio customers as well as new customer wins and acquisitions secured during the year, including particularly two large customers added to its North American portfolio at end November.

  Blu-ray™ disc volumes were up by c.8% in 2015 compared to 2014, supported by the aforementioned factors and the ongoing growth in Xbox One games volumes, while Standard-Definition discs declined by c.5% year-over-year. Overall 2015 volume trends in Europe continued to be generally better than in North America, mostly due to regionally specific promotional activity for selected studio customers, as well as to the ongoing adoption of Blu-ray™ in this region (as compared to the more mature and stable U.S. Blu-ray™ market). Total Games volumes declined by c.11% year-on-year, with ongoing erosion in prior generation video game console demand outpacing growth for the current generation Xbox One platform. Going forward, prior generation video games volumes have now reached an immaterial level and should not influence future trends to the same degree.

Excluding exited activities, Adjusted EBITDA was €190 million, down 2.1% at constant currency year-on-year, as the stronger Production Services contribution was almost fully offset by lower DVD Services performance. However, the free cash flow generation in DVD Services was stable year-over-year notwithstanding the adjusted EBITDA decline.

- In **Production Services**, Adjusted EBITDA was strongly up in 2015 compared to 2014, due to higher levels of activity in VFX and Animation activities, and the incremental contribution from acquisitions.

- In **DVD Services**, despite generally stable full year revenues at constant currency, Adjusted EBITDA was affected by the decision in the first half not to reduce the operating platform costs in preparation for a very strong level of activity in the second half. Adjusted EBITDA in the second half of 2015 was close to the level achieved in the second half of 2014, but could not fully offset the first half decline.

Technology

	FY 2014		FY 2015		Change YoY	
	In € million	As a % of revenues	In € million	As a % of revenues	Reported	At constant rate
Revenues	490		511		+4.2%	+4.5%
o/w M-GO	11		20		+88.2%	+57.3%
Revenues excl. M-GO	**479**		**490**		**+2.3%**	**+3.3%**
o/w Licensing	266		202		(24.1)%	
MPEG LA	213		288		+35.2%	
Adjusted EBITDA	359	73.3%	377	73.9%	+5.0%	+5.8%
o/w M-GO	(18)		(12)		+33.9%	+44.8%
Adj. EBITDA excl. M-GO	**377**	**78.7%**	**389**	**79.4%**	**+3.2%**	**+3.4%**
o/w Licensing & R&I[5]	164		101		(38.4)%	
MPEG LA	213		288		+35.2%	

Technology revenues excluding M-GO, which was sold in early January 2016 to Fandango, a business unit of NBC Universal, amounted to €490 million, up 3.3% year-over-year at constant currency, primarily driven by higher revenues from the MPEG LA pool, which represented 59% of total Licensing revenues in 2015 compared to 45% in 2014. The Group's direct licensing programs recorded a solid performance in the first half, particularly for Digital TV, which benefited from the strong level of new contracts and contract renewals in the course of 2014. In the second half, direct licensing programs posted a lower performance as the Group did not sign any major contract renewal or new contract as some ongoing discussions with manufacturers were delayed to leverage the joint licensing program with Sony in Digital TV ("DTV") and Computer Display Monitor ("CDM") that was announced in September.

Excluding M-GO, Adjusted EBITDA reached €389 million, up 3.4% at constant currency year-on-year, driven by the strong contribution of the MPEG LA patent pool.

The costs associated with the MPEG LA patent pool are very limited and the end of this program is not expected to generate any material cost savings. The Group is thus allocating all operating costs related to Licensing activities to the direct licensing programs. In addition, Technicolor maintained a sustained level of Research and Innovation, with net spending at €30 million within the Technology segment in 2015.

Going forward, Technicolor will continue to focus its patent licensing business on four key pillars: Digital TV, Video coding, Mobile Communications and Connected Home, and will maximize its efforts to increase the performance of its licensing programs derived from these pillars. This evolution will also aim at supporting the activities of the Operating businesses, in particular the Connected Home segment. As a result of recent precedents in patent law, Technicolor has reconsidered its worldwide filing policy to focus on high quality patent assets relevant to these areas in target geographies that will be important for licensing business revenue streams. This revised filing policy is now being implemented and is expected to generate cost savings by the end of 2017.

[5] Research and Innovation.

Segment review – Q4 2015 revenue highlights

Group revenues by segment

In € million		Fourth Quarter 2014	Fourth Quarter 2015	Change YoY Reported	Change YoY At constant Rate
Group revenues		983	1,154	+17.3%	+11.2%
o/w	Exited activities	32	0	ns	ns
Group revenues excl. exited activities		**952**	**1,154**	**+21.2%**	**+14.9%**
o/w	Connected Home	358	467	+30.5%	+26.9%
	Entertainment Services	434	564	+29.8%	+18.7%
	Technology	159	122	(23.0)%	(22.6)%

Connected Home revenues amounted to €467 million in the fourth quarter of 2015, up 26.9% at constant currency compared to the fourth quarter of 2014, due in part to the inclusion of sales related to the Cisco Connected Devices acquisition completed in the period. Excluding Cisco Connected Devices, Connected Home revenues rose nearly 6% year-on-year at constant currency, continuing to outperform the global CPE market, as revenue growth resumed strongly in Europe, Middle-East & Africa and Asia-Pacific due notably to the ramp-up of new products, which helped to offset a lower level of activity in North America, as expected, affected notably by the pending US industry consolidation.

- In **North America**, revenues declined significantly in the fourth quarter of 2015 compared to the fourth quarter of 2014. As expected, product deliveries continued to be affected during the period by cautious customer approach towards product orders and inventory management, particularly in the Satellite segment, and the phasing-out in the first quarter of 2015 of a Cable device shipped in material volumes in the fourth quarter of 2014. Overall product mix improved strongly year-on-year, due to a larger contribution of high-end Cable devices in the sales mix.
- In **Latin America**, revenues decreased materially in the fourth quarter of 2015 compared to the fourth quarter of 2014, reflecting a decline in product shipments. Product deliveries continued to be affected during the quarter by unfavorable macroeconomic conditions in Brazil, as reflected by the devaluation of the Brazilian real against the US$, which led to higher inventory levels at some large customers. At constant currency, Connected Home revenues were almost flat year-over-year, a strong improvement compared to the double-digit revenue decrease experienced in the third quarter of 2015.
- In **Europe, Middle East and Africa**, revenues were sharply up in the fourth quarter of 2015 compared to the fourth quarter of 2014, driven by a double-digit year-on-year increase in product shipments and significantly improved overall product mix. Connected Home continued to benefit from the ramp-up of a new OTT set top box launched at a key Satellite customer in the third quarter of 2015. The region’s performance was also supported by ongoing solid Telecom customer demand for OTT and Broadband devices, as well as by increased deliveries of Cable gateways, particularly in Western Europe.

- In **Asia-Pacific**, revenues increased significantly in the fourth quarter of 2015 compared to the fourth quarter of 2014, as product shipments almost doubled year-on-year. This strong volume performance resulted from a sustained set top box demand from Indian customers, as well as increased deliveries of Cable and Telecom broadband devices during the period, particularly in China.

Volume data for Connected Home

		Fourth Quarter			Full Year		
In million units		**2014**	**2015**	Change	**2014**	**2015**	Change
Total combined volumes		9.0	10.4	+16.3%	34.5	31.8	(7.8)%
o/w	CCD	-	1.2	ns	-	1.2	ns
Total combined volumes excl. CCD[6]		**9.0**	**9.3**	**+3.3%**	**34.5**	**30.6**	**(11.2)%**
By region	North America	2.7	1.4	(49.2)%	9.5	6.0	(36.6)%
	Latin America	2.9	2.4	(16.6)%	11.3	10.9	(2.8)%
	Europe, Middle-East and Africa	1.4	1.7	+18.0%	7.3	6.7	(7.5)%
	Asia-Pacific	1.9	3.8	+94.5%	6.4	6.9	+7.5%

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Entertainment Services revenues (excluding exited activities) totaled €564 million in the fourth quarter of 2015, up 18.7% at constant currency compared to the fourth quarter of 2014. This performance reflected a strong double-digit growth in Production Services, including the contribution from recent acquisitions, combined with increased DVD Services volumes.

- **Production Services** delivered a strong double-digit growth in revenues in the fourth quarter of 2015. Revenues were up more than 40% year-on-year at constant currency, reflecting good organic revenue growth across Visual Effects for Advertising and TV content, Animation and Postproduction activities, as well as the additions of OuiDo Productions, Mikros Images and The Mill. The level of activity in VFX for feature films was lower year-on-year as the Group completed large-scale Theatrical projects during the third quarter of 2015 and had fewer deliveries in the fourth quarter of 2015 before ramping up new titles in 2016, and against a fourth quarter of 2014 that benefited from a strong pipeline of projects.

  In the fourth quarter of 2015, VFX teams completed work on *The Revenant* (Fox), *Spectre* (Sony), *The Finest Hours* (Disney) and *Batman v Superman: Dawn of Justice* (Warner), while continuing work on Theatrical projects including *Knights of the Roundtable: King Arthur* (Warner), *Independence Day: Resurgence* (Fox), *Pirates of the Caribbean: Dead Men Tell No Tales* (Disney), *Ghostbusters* (Sony), *Suicide Squad* (Warner), *X-Men: Apocalypse* (Fox) and *Tarzan* (Warner). Postproduction teams also contributed to a number of Theatrical projects, completing work on titles including *The Revenant* (Fox), *The Accountant* (Warner) *and The Jungle Book* (Disney), and further confirmed their leadership in the premium Broadcast market, contributing to popular TV series including *Secrets & Lies* (Fox), *Blacklist* (Sony) and *Grace & Frankie* (Fox) for leading TV broadcasters, as well as to original content for OTT Service Providers Amazon (*Mozart In The Jungle*, *Bosch*) and Netflix (*Making A Murderer*, *Flaked*).

[6] Including tablets and other connected devices.

- **DVD Services** revenues were up in the fourth quarter of 2015, driven by strong year-on-year growth of c.12% in combined Standard-Definition DVD, Blu-ray™ and CD disc volumes. Excluding the additions of the two large North American customers in mid-November, overall volumes would have been nearly stable. Standard-Definition DVD volumes grew by c.3% year-over-year, while Blu-ray™ disc volumes were up almost 25%. Total Games volumes continued to be impacted in the quarter by lower demand for prior generation video game consoles, which more than offset ongoing strong growth in Xbox One games volumes. Key Theatrical titles produced in the fourth quarter included *Ant-Man* (Disney/Marvel), *Mission: Impossible: Rogue Nation* (Paramount), *Minions* (Universal) and *Vacation* (Warner), while key Games titles included *Halo 5: Guardians* (Microsoft) and *Fallout 4* (Bethesda Softworks).

Volume data for DVD Services

		Fourth Quarter			Full Year		
In million units		**2014**	**2015**	Change	**2014**	**2015**	Change
Total combined volumes		**415.6**	**466.9**	**+12.3%**	**1,314.7**	**1,307.7**	**(0.5)%**
By format	SD-DVD	330.3	341.4	+3.4%	1,053.1	1,002.3	(4.8)%
	Blu-ray™	83.4	104.2	+24.9%	255.3	276.4	+8.3%
	CD	1.9	21.2	ns	6.2	28.9	ns
By segment	Studio / Video	370.6	403.2	+8.8%	1,196.2	1,179.3	(1.4)%
	Games	33.0	30.0	(9.1)%	74.2	65.7	(11.4)%
	Software & Kiosk	10.1	12.4	+23.0%	38.1	33.7	(11.4)%
	Music & Audio	1.9	21.2	ns	6.2	28.9	ns

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Technology revenues amounted to €122 million in the fourth quarter of 2015, down 22.6% at constant currency compared to the all-time record fourth quarter of 2014. Licensing revenues totaled €115 million, down €39 million year-over-year at constant currency. While revenues from the MPEG LA patent pool were very strong in the period, direct licensing programs recorded a lower performance compared to the fourth quarter of 2014. Technicolor did not sign any major licensing agreements in the period, while it had an all-time record quarter for its direct licensing programs in the fourth quarter of 2014 that included a lump sum payment for the past related to the signing of a material Digital TV license agreement with a top tier Asian manufacturer. Excluding this impact, Licensing revenues would have been broadly flat year-on-year.

An analyst conference call hosted by Frederic Rose, CEO, and Esther Gaide, CFO, will be held on Friday, 19 February 2016 at 9:30am CET.

Financial calendar

Q1 2016 revenues	29 April 2016
H1 2016 results	28 July 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. 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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UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(€ in millions)	Year ended December 31, 2015	2014
Continuing operations		
Revenues	3,652	3,332
Cost of sales	(2,818)	(2,513)
Gross margin	**834**	**819**
Selling and administrative expenses	(331)	(315)
Research and development expenses	(128)	(136)
Restructuring costs	(39)	(25)
Net impairment losses on non-current operating assets	(27)	(48)
Other income (expense)	(45)	7
Profit (loss) from continuing operations before tax and net financial income (expense)	**264**	**302**
Interest income	9	10
Interest expense	(72)	(75)
Other financial income (expense)	(24)	(52)
Net financial income (expense)	**(87)**	**(117)**
Share of loss from associates	(1)	-
Income tax	(55)	(48)
Profit (loss) from continuing operations	**121**	**137**
Discontinued operations		
Net gain (loss) from discontinued operations	(43)	(9)
Net income (loss)	**78**	**128**
Attributable to:		
- Equity holders	*82*	*132*
- Non-controlling interest	*(4)*	*(4)*

(in euro, except number of shares)	Year ended December 31, 2015	2014
Weighted average number of shares outstanding (basic net of treasury shares held)[7]	357,355,262	347,817,962
Earnings (losses) per share from continuing operations		
- basic	0.35	0.41
- diluted	0.34	0.41
Earnings (losses) per share from discontinued operations		
- basic	(0.12)	(0.03)
- diluted	(0.12)	(0.03)
Total earnings (losses) per share		
- basic	0.23	0.38
- diluted	0.22	0.38

[7] According to IAS 33.26 and IAS 33.27b, the weighted average number of shares outstanding was adjusted for 2014 and 2015 to take into account the share capital increase with preferential subscription rights that occurred on 17 November 2015. The earnings per share was adjusted accordingly.

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € million)	December 31, 2015	December 31, 2014
ASSETS		
Non-current assets		
Property, plant and equipment	302	284
Goodwill	1,221	448
Other intangible assets	454	476
Investments in associates and joint ventures	16	10
Investments and available-for-sale financial assets	22	8
Contract advances and up-front prepaid discount	39	53
Deferred tax assets	365	342
Income tax receivable	1	1
Other non-current assets	54	37
Cash collateral and security deposits	23	15
Total non-current assets	**2,497**	**1,674**
Current assets		
Inventories	311	99
Trade accounts and notes receivable	704	580
Derivative financial instruments	3	2
Income tax receivable	62	35
Other current assets	300	326
Cash collateral and security deposits	15	21
Cash and cash equivalents	385	328
Assets classified as held for sale	24	-
Total current assets	**1,804**	**1,391**
Total assets	**4,301**	**3,065**

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € million)	December 31, 2015	December 31, 2014
EQUITY AND LIABILITIES		
Shareholders' equity		
Common stock *(411,443,290 shares at December 31, 2015 with nominal value of €1 per share)*	411	336
Treasury shares	(155)	(157)
Additional paid-in capital	1,233	939
Subordinated perpetual notes	500	500
Other reserves	(25)	(43)
Retained earnings (accumulated deficit)	(1,016)	(1,098)
Cumulative translation adjustment	(286)	(254)
Shareholders' equity attributable to owners of the parent	**662**	**223**
Non-controlling interest	4	(4)
Total equity	**666**	**219**
Non-current liabilities		
Borrowings	1,207	852
Retirement benefits obligations	353	384
Restructuring provisions	-	2
Other provisions	40	56
Deferred tax liabilities	126	106
Other non-current liabilities	159	189
Total non-current liabilities	**1,885**	**1,589**
Current liabilities		
Borrowings	86	59
Retirement benefit obligations	29	30
Restructuring provisions	20	34
Other provisions	90	62
Trade accounts and notes payable	746	502
Derivative financial instruments	1	4
Accrued employee expenses	166	130
Income tax payable	59	29
Other current liabilities	541	407
Liabilities classified as held for sale	12	-
Total current liabilities	**1,750**	**1,257**
Total liabilities	**3,635**	**2,846**
Total equity and liabilities	**4,301**	**3,065**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31,	
(in € million)	**2015**	**2014**
Net income (loss)	**78**	**128**
Income (loss) from discontinued activities	**(43)**	**(9)**
Profit (loss) from continuing activities	**121**	**137**
Summary adjustments to reconcile profit from continuing activities to cash generated from continuing operations		
Depreciation and amortization	185	175
Impairment of assets[8]	32	49
Net changes in provisions	(48)	(39)
Gain on asset disposals	(7)	(8)
Interest (income) and expense	63	65
Other non-cash items (including tax)	81	67
Changes in working capital and other assets and liabilities	58	5
Cash generated from continuing activities	**485**	**451**
Interest paid	(58)	(66)
Interest received	10	10
Income tax paid	(52)	(43)
Net operating cash generated from continuing activities	**385**	**352**
Net operating cash used in discontinued activities	(23)	(15)
Net cash from operating activities (I)	**362**	**337**
Acquisition of subsidiaries, associates and investments, net of cash acquired	(688)	(14)
Proceeds from sale of investments, net of cash	2	10
Purchases of property, plant and equipment (PPE)	(51)	(60)
Proceeds from sale of PPE and intangible assets	1	3
Purchases of intangible assets including capitalization of development costs	(56)	(50)
Cash collateral and security deposits granted to third parties	(8)	(7)
Cash collateral and security deposits reimbursed by third parties	9	13
Loans (granted to) / reimbursed by third parties	-	(1)
Net investing cash used in continuing activities	**(791)**	**(106)**
Net investing cash used in discontinued activities	-	(3)
Net cash used in investing activities (II)	**(791)**	**(109)**
Increase of Capital	227	-
Proceeds from borrowings	377	-
Repayments of borrowings	(62)	(194)
Fees paid linked to the debt and capital restructuring	(25)	(26)
Dividends and distributions paid to Group's shareholders	(17)	-
Other	(8)	(1)
Net financing cash generated used in continuing activities	**492**	**(221)**
Net financing cash used in discontinued activities	-	-
Net cash used in financing activities (III)	**492**	**(221)**
Net increase in cash and cash equivalents (I+II+III)	**63**	**7**
Cash and cash equivalents at beginning of year	**328**	**307**
Exchange gains/(losses) on cash and cash equivalents	(6)	14
Cash and cash equivalents at end of year	**385**	**328**

[8] Including €5 million and €1 million of impairment of assets as part of restructuring plans in 2015 and 2014, respectively.

Summary of consolidated results as reported (unaudited)

	Second Half			Full Year		
In € million	2014	2015	Change	2014	2015	Change
Group revenues	**1,827**	**2,031**	**+11.2%**	**3,332**	**3,652**	**+9.6%**
Change at constant currency (%)		+6.0%			+2.4%	
o/w Connected Home	727	799	+9.9%	1,382	1,451	+5.0%
Entertainment Services	810	988	+22.0%	1,432	1,676	+17.1%
Technology	275	243	(11.4)%	490	511	+4.2%
Other	15	0	ns	28	14	(49.5)%
Adjusted EBITDA	**337**	**314**	**(6.8)%**	**550**	**565**	**+2.6%**
Change at constant currency (%)		(5.5)%			+3.1%	
As a % of revenues	18.5%	15.5%	(3.0)pts	16.5%	15.5%	(1.0)pt
o/w Connected Home	47	48	+0.5%	77	76	(2.0)%
Entertainment Services	120	128	+6.5%	191	192	+0.3%
Technology	210	180	(14.6)%	359	377	+5.0%
Other	(41)	(41)	(0.2)%	(77)	(80)	(3.9)%
Adjusted EBIT	**241**	**215**	**(10.8)%**	**368**	**374**	**+1.8%**
Change at constant currency (%)		(5.4)%			+8.0%	
As a % of revenues	13.2%	10.6%	(2.6)pts	11.0%	10.2%	(0.8)pt
o/w Connected Home	29	33	+14.4%	38	47	+24.0%
Entertainment Services	56	57	+0.6%	73	58	(21.2)%
Technology	201	169	(16.1)%	342	356	+4.0%
Other	(45)	(43)	+4.4%	(85)	(86)	(1.0)%
EBIT from continuing operations	**180**	**132**	**(26.6)%**	**302**	**264**	**(12.6%)**
Change at constant currency (%)		(14.5)%			(0.9)%	
As a % of revenues	9.9%	6.5%	(3.4)pts	9.1%	7.2%	(1.9)pts
Financial result	(43)	(43)	0	(117)	(87)	+30
Income tax	(25)	(26)	(1)	(48)	(55)	(7)
Share of profit/(loss) from associates	(1)	(3)	(2)	(0)	(1)	(1)
Profit/(loss) from continuing operations	**110**	**60**	**(50)**	**137**	**121**	**(16)**
Profit/(loss) from discontinued operations	(9)	(31)	(22)	(9)	(43)	(34)
Net income	**102**	**30**	**(72)**	**128**	**78**	**(50)**
Group free cash flow	**102**	**139**	**+37**	**230**	**256**	**+26**
Net financial debt at nominal value (non-IFRS)				**645**	**985**	**+340**
Net financial debt (IFRS)				583	908	+325

Reconciliation of adjusted indicators (unaudited)

Technicolor is presenting, in addition to published results and with the aim to provide a more comparable view of the evolution of its operating performance in 2015 compared to 2014 a set of adjusted indicators which exclude the following items as per the statement of operations of the Group's consolidated financial statements:

- Restructuring costs, net;
- Net impairment charges;
- Other income and expenses (other non-current items).

These adjustments, the reconciliation of which is detailed in the following table, amounted to an impact on Group EBIT from continuing operations of €(110) million in 2015 compared to €(66) million in 2014.

	Second Half			Full Year		
In € million	**2014**	**2015**	Change	**2014**	**2015**	Change
EBIT from continuing operations	**180**	**132**	**(48)**	**302**	**264**	**(38)**
Restructuring charges, net	(14)	(8)	+6	(25)	(39)	(14)
Net impairment losses on non-current operating assets	(48)	(18)	+30	(48)	(27)	+21
Other income/(expense)	1	(56)	(57)	7	(45)	(52)
Adjusted EBIT from continuing operations	**241**	**215**	**(26)**	**368**	**374**	**+6**
As a % of revenues	13.2%	10.6%	(2.6)pts	11.0%	10.2%	(0.8)pt
Depreciation and amortization (D&A)[9]	96	100	+4	183	190	+7
Adjusted EBITDA from continuing operations	**337**	**314**	**(23)**	**550**	**565**	**+15**
As a % of revenues	18.5%	15.5%	(3.0)pts	16.5%	15.5%	(1.0)pt

[9] Including impact of provisions for risks, litigations and warranties.