

Update on FY 2011 objectives and cost reduction actions

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Forward Looking Statements



Warning: Forward Looking Statements

This presentation contains certain statements that constitute "forward-looking statements" 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.

Agenda

Update on FY 2011 objectives

4-8

Cost reduction actions

9-14

FY 2012 operational roadmap

15-17



UPDATE ON FULL YEAR 2011 OBJECTIVES

Stable revenue growth YoY* at constant currency

Adjusted EBITDA** of approximately €475m

Positive Free Cash Flow in FY 2011

* Year-over-Year

** EBIT from continuing operations excluding other income (expense), and Depreciation & Amortization (including impact of provisions for risks, litigations and warranties)

Public communication on FY 2011 Adj. EBITDA objective

	Technology	Entertainment Services	Digital Delivery	FY 2011 Adjusted EBITDA objective
Q1 28/04/11	Growth due to strong worldwide CE product shipments in H2 2010	Strong demand for Creation Services and Digital Cinema	Strong volume growth but weaker overall mix	Comparable or slightly up compared to 2010
Q2 28/07/11	Sustained performance despite some softness in the CE market	Strong demand for Creation Services, sustained volumes in DVD	Impact of the degraded economic environment in Europe	Comparable or slightly up compared to 2010*
Q3 27/10/11	Resilient activities despite unfavorable comparison base	Strong demand for Creation Services and resilience in DVD	Impact of worsening market conditions, especially in Europe	Comparable or slightly up compared to 2010 if strong Q4 2011 in Technology and ES**

* Objective confirmed on 22 September, 2011

** Entertainment Services

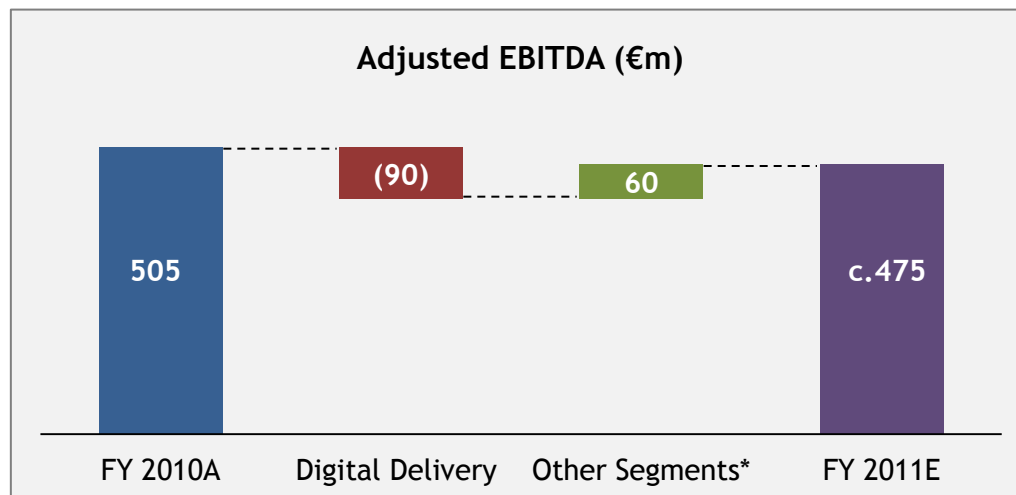
Trends update since 27 October, 2011

	Q4 2011 highlights	Adj. EBITDA gap vs. objective
Technology	Some continuing licensing contracts negotiations to preserve royalty rates	c.€20m
Entertainment Services	Good performances in North America and slightly lower performances in Europe	<€5m
Digital Delivery	Continued deterioration in the European market	c.€6m

Slight decrease in Adjusted EBITDA in FY 2011 vs. FY 2010

70% of Digital Delivery degradation offset by improvements in other businesses

- ▶ Increase in Adjusted EBITDA in Technology and Entertainment Services
- ▶ Material degradation in Digital Delivery Adjusted EBITDA due to Connected Home performance
 - ✓ Revenue decrease largely due to European degraded economic environment
 - ✓ Specific operational issues in manufacturing and supply chain
 - ✓ Increased R&D costs with a large number of new development projects



*Other Segments: Entertainment Services, Technology & Other



COST REDUCTION ACTIONS

Turnaround of Connected Home business

Optimization of photochemical film activities

Streamlining of support functions

Connected Home action plan



Cost structure to be reduced by €32m in FY 2012

Aiming to return to Adj. EBITDA breakeven in FY 2012

Positive Adjusted EBITDA in H2 2012

Optimization of Film activities

Rationale

- Continued decline of release film market due to the acceleration in conversion to digital in Europe
- Digital screen penetration: 72% year-end 2012 vs. 54% end-2011

Subcontracting agreements

- To Deluxe for all Technicolor release printing services in Europe
- Closure of 3 European film labs in 2012: Rome, Madrid and London
- Front-end lab to be maintained in London

Benefits

- Highly flexible cost structure in European release printing services
- Greater focus on digital cinema footprint and high-added value digital services in Europe

Financial Impacts

- Annualized fixed cost reduction of around €24M

Streamlining of support functions

Streamline Support Functions

- Expected annualized savings of €10M through specific actions related to the Group's support functions

Operational Excellence Program

- Focus on quality, operations improvement, transformation of information systems, optimization of sourcing and real estate



FULL YEAR 2012 OPERATIONAL ROADMAP

Key milestones achieved in 2011



Optimisation of the business mix and increased adjusted EBITDA in Entertainment Services

Overall resilience and increased adjusted EBITDA in Licensing activities

Positive Group free cash flow generation despite material underperformance in Digital Delivery

FY 2012 operational roadmap

Segment	FY 2012 Ambitions
Technology	<ul style="list-style-type: none">• Licensing contract renewals and new contracts• Commercial launch of MediaNavi in Q2
Entertainment Services	<ul style="list-style-type: none">• Strengthening digital capabilities overall• Increased digital footprint in Europe• Focus on cash generation in DVD Services
Digital Delivery	<ul style="list-style-type: none">• Return of Connected Home to adjusted EBITDA breakeven• Positive adjusted EBITDA expected in H2
Group	<ul style="list-style-type: none">• Positive free cash flow in 2012, notwithstanding higher than usual restructuring expenses• Operate within financial covenants



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