

TECHNICOLOR TO ACQUIRE CISCO CONNECTED DEVICES DIVISION FOR €550m IN STOCK AND CASH

***Combination creates global leader in CPE;
Strategic partnership around next generation video, broadband and IoT***

PARIS (France), July 23, 2015 -- Technicolor (Euronext Paris: TCH; OTCQX: TCLRY) has entered into an exclusive agreement with Cisco (NASDAQ: CSCO) to acquire its customer premises equipment (CPE) business for €550 million¹ (or \$600 million equivalent) in a cash and stock transaction, reviewed by the Boards of Directors of the two companies, which will be on a cash free, debt free basis. The acquisition should result in Technicolor's Connected Home segment reaching adjusted EBITDA in excess of €200 million by year end 2016 and best-in-class profitability (i.e.8-9% adjusted EBITDA margin) by 2017. The transaction will also translate into double-digit EPS accretion at Group level starting in the first full year after closing.

Under the terms of the agreement, upon the closing of the transaction, Cisco will receive approximately €413 million (\$450 million) in cash and approximately €137 million (\$150 million) in newly issued Technicolor shares, subject to certain adjustments provided for in the agreement.

The transaction and addition of Cisco's complementary product portfolio will make Technicolor one of the global leaders in CPE and will immediately increase the company's industrial and technological scale in all major geographies:

- c.15%² market share worldwide;
- c.60 million devices shipped each year and a global presence with an installed base of c. 290 million set-top-boxes and c.185 million gateways in over 100 countries;
- c.€3bn of pro-forma revenues in 2014, doubling Technicolor's revenues in the Connected Home segment;
- Synergies generation in excess of €100 million per annum on a run-rate basis, in particular in the field of supply chain and SG&A;
- Strengthened innovation capabilities with over €250 million of combined annual spending in Research and Innovation.

Simultaneously to the acquisition, Technicolor and Cisco will enter into a strategic partnership that will allow both companies to develop and deliver next generation video and broadband technologies, with cooperation on Internet of Things (IoT) solutions and services. The strategic agreement will provide ongoing commitment to all existing customers and expand offerings. By combining their strengths and leading video expertise, from content creation to in-home delivery, the two companies will accelerate innovation and forge a leading entity that network service providers can rely on for their next generation connected home experiences. Technicolor and Cisco also have signed a long-term patent cross-licensing agreement that covers specific intellectual property and patents from both companies. As part of the strategic agreement and after the transaction has closed, Mr. Hilton Romanski, Senior Vice President and Chief Strategy Officer of Cisco, will join Technicolor's Board of Directors.

"We know that video expertise is essential to the future of creating outstanding network and home infrastructure products and services," said Frederic Rose, CEO of Technicolor. "Through this acquisition and strategic agreement, Technicolor can immediately bring its unrivalled experience and innovation in

¹ The conversion to euros was done using the euro foreign exchange reference rate of 1.0902 as at 22 July 2015 as published on the European Central Bank website

² Sources: Del'Oro, Infonetics, Cisco and Technicolor estimates

video creation, delivery, and display to more customers in more geographies, while strengthening our position as a technology leader.”

“The strategic relevance of video to every consumer, business, city and country around the world is only growing, and the market is moving rapidly,” said John Chambers, Chairman and CEO of Cisco. “This is the right time and we have the right company in Technicolor to drive the future of the CPE business to deliver what our customers and partners need, today and into the future. At Cisco, we are prioritizing our investments to deliver on our strategy of video in the cloud, and will partner with Technicolor to position the CPE business and employees for future success.”

The €413 million cash portion of the consideration will be financed through cash-on-hand and fully-underwritten new debt with an anticipated limited impact on Technicolor’s leverage position. Reference Technicolor share price used for calculation of number of new shares issued will be the volume-weighted average price over a period of 7 days prior to announcement and 7 days post announcement. Newly issued shares to Cisco will be subject to an 18-month lock-up period on 5% of the corresponding ownership in Technicolor, with the remainder of the shares being subject to a 12-month lock-up period post-closing.

The transaction is expected to close by the end of the fourth quarter of 2015 or during the first quarter of 2016, subject to regulatory approvals and customary closing conditions. Technicolor will release pro forma IFRS financial statements and update its Drive 2020 financial objectives upon closing of the transaction.

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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 theatres, homes and on-the-go. For more information on Technicolor, please go to www.technicolor.com

About Cisco

Cisco (NASDAQ: CSCO) is the worldwide leader in IT that helps companies seize the opportunities of tomorrow by proving that amazing things can happen when you connect the previously unconnected. For ongoing news, please go to <http://thenetwork.cisco.com>.

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