

Technicolor Receives Binding Offer to Acquire Grass Valley Broadcast & Professional Business Division from Francisco Partners

FREQUENTLY ASKED QUESTIONS

On July 26, 2010, Technicolor announced that Francisco Partners, a San Francisco, California-based private equity firm focused on investments in technology-based companies, has made a binding offer to acquire the Grass Valley Broadcast & Professional business division. No official comments about the future potential operations of Grass Valley under Francisco Partners can be given prior to an agreement being finalized, or the close of a transaction. However, there are certain statements that can be offered. Below are answers to the most asked questions.

- **Who has offered to acquire the Grass Valley business?**
Francisco Partners, a San Francisco, California-based, global private equity firm whose goal is to pursue structured investments in technology-based companies with a strong foundation and secure market position. Francisco Partners targets investments in private companies, with transaction values ranging from \$30 million to \$2 billion. Francisco Partners has invested in excess of \$4 billion of equity capital in over 50 technology companies to date. More information on Francisco Partners can be found here: <http://www.franciscopartners.com/>
- **Why is Francisco Partners interested in acquiring Grass Valley?**
Francisco Partners believes that Grass Valley's market leadership, unrivalled brand identity, company heritage, long history of innovation, impressive product portfolio, and great team of people can be brought to even greater success as an independent company.
- **What is included in Francisco Partners's offer for Grass Valley?**
The offer includes 100 percent ownership of everything that can be considered the Grass Valley Broadcast & Professional business. This includes its camera, content repurposing, editing, master control, modular, news production, production automation, routing, servers, storage, and switching product lines including the entire product portfolios, the R&D centers and factories around the world, the Sales & Systems activities and Customer Support organization worldwide, as well as the various management and administrative support functions dedicated to the business. The Grass Valley brand, which the market strongly associates with the Broadcast & Professional business and product lines, is also part of the offer.
- **What about the Transmission and Headend businesses?**
The Transmission and Headend businesses, which are in the process of being separated from the Grass Valley Broadcast & Professional business, are not

included with this sale. The planned divestiture of the Transmission and Headend businesses from Technicolor will continue separately, and these businesses plan to operate individually going forward.

- **When will the process be completed?**
Subject to final agreement, applicable notification requirements and regulatory approval and, when it is requested, the prior consultation of staff representatives, the process is expected to be completed before the end of 2010.
- **What happens from now until the end of this process?**
During this time period, it will be business as usual for our customers, partners, and suppliers. Until the conclusion, Grass Valley will continue to operate as a business division of Technicolor. Service will continue uninterrupted. All existing contracts, service agreements, and warranties will continue to be honored according to their current terms. Current Grass Valley business contacts will remain the same with any changes properly communicated.
- **Would Grass Valley be a standalone company or a division of Francisco Partners, and would Grass Valley be managed by Francisco Partners on a day-to-day basis?**
Although the process is not yet complete, it is expected that Francisco Partners would hold Grass Valley as part of its investment portfolio of independently operating, standalone companies.
- **What will be the impact of the potential sale on current customers, partners or suppliers doing business with Grass Valley today?**
All customers, partners, and suppliers should be assured that any potential changes will be merely tactical legal changes associated with preparation of a planned divestiture – and that they are still doing business with the same "Grass Valley" that they have come to rely on for many years.
- **Will there be any impact on customer support?**
There will be no impact on customer support. As usual, we will continue to strive to improve our service and support for our customers in order to keep Grass Valley at the forefront of our industry in delivering a high-quality customer experience.
- **Will Grass Valley continue to maintain all existing service agreements?**
Yes. All existing service agreements, as well as those agreements which are coming into effect, will be maintained by Grass Valley.
- **Will Grass Valley continue its strong R&D investment?**
As the holder of more than 16 Emmy® Awards through decades of technology innovation and market leading positions in various product categories, Grass Valley realizes the significant value of a strong and focused R&D investment to meet our customers' current and future needs. As a leading private equity firm focusing its investments exclusively on technology and technology-enabled businesses,



Francisco Partners also understands the importance of a solid R&D commitment for a leading technology innovator like Grass Valley.

- **Would a financial investor be a good owner for Grass Valley?**

Francisco Partners's focus on technology companies and their track record in the technology sector will allow Grass Valley to continue its innovation poised to capitalize on the many opportunities opening up in the marketplace today. Many very successful companies in our industry are backed by financial investors looking to take advantage of the expected return of a buoyant media and communications sector.

