

July 26, 2010

Dear Valued Customer,

You may have already heard the news that Technicolor has received a binding offer to acquire the Grass Valley Broadcast & Professional business from Francisco Partners, a leading global private equity firm focused exclusively on investments in technology-based businesses. As head of the business, and on behalf of the worldwide team at Grass Valley, I am writing to you because, as a valued customer, I want to be sure that you appreciate that this is positive news for Grass Valley and positive news for you.

Specifically, the binding offer from Francisco Partners to acquire the Grass Valley Broadcast & Professional business includes the entire product portfolio: cameras, desktop editing, production switchers, production automation, news production, video servers and storage, routing and master control switching, and modular signal conversion/distribution product lines including the associated R&D centers and factories around the globe. Furthermore, the offer to acquire the business includes everything that can be regarded as Grass Valley including the Sales and Customer Support organizations worldwide, the Systems activities, as well as the various management and administrative support functions dedicated to the business – and, of course, the transfer of all active agreements and ongoing service and support responsibilities to our customers.

Most importantly, it includes the great people within Grass Valley, from the design engineers in R&D to the Sales and Customer Support teams in the field...and the many functions in between. Just as important, Francisco Partners's offer includes the acquisition of the Grass Valley brand, a trusted name in the industry for over 50 years. The new company would continue to operate as Grass Valley. As well, the revitalization of our brand identity that started last year will continue to develop over the coming months.

The Transmission and Headend businesses, which are currently being separated from the Grass Valley Broadcast & Professional business, are not included in this offer. The planned divestiture of the Transmission and Headend businesses will continue separately, and these businesses plan to individually going forward.

I would also like to outline a few key points about Francisco Partners. First, they have a very strong track record and heritage in this type of transaction, the extraction of a vigorous business from a large parent corporation and creating a solid, independent company. Secondly, as part of their management style, they work closely with the businesses within their portfolio to drive long-term value creation and takes pride in taking on a positive, supportive role to the management team to successfully establish the business as an independent entity and to grow the business over time. Finally, I want to emphasize that Francisco Partners has made an offer to acquire Grass Valley because we are a leader in our industry and, as a more focused independent enterprise, believes we are poised to become even more successful.

While it is not possible to put a firm date on a final agreement and subsequent closing, we will be moving as quickly as possible to finalize the proposed transaction before the end of 2010, pending applicable notification requirements and regulatory approvals and, when it is requested, the prior consultation of staff representatives. During this period, it is our intention that this process will be largely seamless and it will be very much business as usual, ensuring that you will see the same level of support from the committed team you have known for many years. Contracts remain in place and in full effect, and your immediate sales and service contacts will remain the same. Products and systems will continue to be built, delivered, installed, and

commissioned as usual. Additionally, customer support will be maintained at the high standards you have become accustomed to from Grass Valley.

Organizations all over the world are dealing with issues presented to them by the economic slowdown and overall industry challenges. We believe this is the ideal time for creating a new beginning for Grass Valley, and to create a business that is perfectly in tune with our rapidly changing markets. Grass Valley has its more than 50 year heritage, a powerful brand, new and exciting products, and a chance to create the right shape and style of business to forge success into the future.

If you want to know more about this announcement or get more information about Francisco Partners, we have set up a dedicated website for our customers and partners at [www.grassvalley.com/greenergrass](http://www.grassvalley.com/greenergrass).

I will be writing to you again during the coming period to keep you updated on Grass Valley's plans for the future. In the meantime, if you have any concerns or questions, or simply want to tell us what you think, please do not hesitate to contact me by sending an e-mail to [askjeff@grassvalley.com](mailto:askjeff@grassvalley.com).

With my best regards,

A handwritten signature in black ink, appearing to read 'JR', with a stylized flourish extending to the right.

Jeff Rosica  
Senior Vice President

