

Thomson Forms Strategic Alliance with DreamWorks Animation to Develop World-Class Animation Capabilities in India

Alliance Leverages Thomson's Investment in Paprikaas Animation Studios

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Thomson (Euronext 18453; NYSE: TMS) today announced that its Technicolor Services division has formed a strategic alliance with DreamWorks Animation SKG, Inc. (NYSE: DWA) to develop world-class animation capabilities in India. The alliance leverages Thomson's recent investment in Paprikaas Animation Studios, a leading animation and game content provider in Bangalore, India. Paprikaas Animation Studios offers creative, technical and production capabilities to design and produce computer-generated animation for feature films, television programming, commercials and video games, with a strong focus on digital 3D content.

Frank E. Dangeard, chairman and chief executive officer of Thomson, said, 'We are honored to combine our capabilities with those of DreamWorks Animation, a recognized leader in its space, and we are committed to creating a center of animation excellence with DreamWorks in India. This strategic alliance is an important step for Thomson: animation represents a significant opportunity for us to expand our content services offering into the media and entertainment industries.'

Today's announcement further reinforces Thomson's commitment and strategy to provide, through its Technicolor Services division, worldwide animation services for the feature film, television animation and video game industries. Having completed numerous animated digital intermediate projects, with an industry-leading number of 3D animated features, Technicolor is well positioned as the leader in post-production services for animated features. Strengthening Paprikaas Animation Studios' creative, technical and computer animation capabilities will provide Technicolor with additional resources and capacity to meet the growing demand for high-end 3D digital animation.

Building on Technicolor's strong position in providing visual effects and interactive video game services and the investment in Paprikaas Animation Studios, the alliance with DreamWorks Animation will strengthen Technicolor's digital content production service offerings. The alliance also demonstrates Technicolor's success in implementing its unique Integrated Services Strategy to support the media, entertainment and communications sector in its transition to fully digital technologies.

As part of the alliance and in collaboration with Thomson's Technicolor Services division, DreamWorks Animation will assist Technicolor in the recruitment, training and development of top-tier animation talent to the Paprikaas facility in India. The Paprikaas team's work on *FARMkids*, an animated children's series, recently won a 'Best TV Series' award at the Australian Effects and Animation Festival in Sydney.

Ann Daly, Chief Operating Officer of DreamWorks Animation, said, 'Technicolor is a first-class collaborator with which DreamWorks Animation has enjoyed a long-term, successful relationship and we are thrilled to work with Technicolor and Thomson in this exciting new endeavor. Through this strategic alliance, our objective is to tap into and further develop the gifted talent base in India, with the potential to do the kind of feature-level work for which we are renowned worldwide.'

Paprikaas' operations have recently relocated to Thomson's new 100,000-square-foot, state-of-the-art digital content production facility in Bangalore. The expanded animation facility, which opened this summer, boasts impressive size and modern capabilities. The first of its kind in Asia, the facility will serve as Thomson's post-production center of excellence in India.

The growth of the animation feature film market has spurred demand for animation design outsourcing. According to NASSCOM, India's National Association of Software and Service Companies, the global animation development market is expected to grow 9% yearly through 2009, to become a \$26 billion market. NASSCOM projects that in India, the animation development market will grow 34% yearly through 2009, to become a \$950 million market. Meanwhile, the number of animated feature films released annually has grown from only one, in the 1995-97 timeframe, to 20, in the 2004-2006 timeframe.

Certain statements in this press release, including any discussion of management expectations for future periods, constitute "forward-looking statements" within the meaning of the "safe harbor" of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements due to changes in global economic and business conditions, consumer electronics markets, and regulatory factors. More detailed information on the potential factors that could affect the financial results of Thomson is contained in Thomson's filings with the U.S. Securities and Exchange Commission.

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About Thomson − World leader in digital video technologies

Thomson (Euronext Paris: 18453; NYSE: TMS) provides technology, services, and systems to help its Media & Entertainment clients − content creators, content distributors, and users of its technology − realize their business goals and optimize their performance in a rapidly changing technology environment. The Group is the preferred partner to the Media & Entertainment Industries through its Technicolor, Grass Valley, RCA, and Thomson brands. For more information: <http://www.thomson.net>

About Technicolor

Headquartered in Burbank, California, Technicolor is the Services division of Thomson (Euronext Paris: 18453; NYSE: TMS). Along with being the world's largest film processor, Technicolor has evolved to become the world's largest manufacturer and distributor of DVDs and CDs, and is a leading provider of production, postproduction, and visual effects services to film studios and cable and television networks. On an annual basis, Technicolor processes more than five billion feet of motion picture film, and has the capacity to produce over 1.7 billion DVDs and 170 million CDs. The company is also a principal developer and supplier of services for comprehensive, end-to-end digital cinema distribution, channel origination and broadcast playout, and out-of-home advertising. Technicolor serves an international base of entertainment, software, game manufacturing, promotional, direct marketing, OEM, and corporate customers with its manufacturing and postproduction facilities worldwide. Major Hollywood clients include The Walt Disney Co., DreamWorks Animation, New Line Cinema, Universal, Paramount, and Warner Bros. Software

publishing clients include Microsoft, Vivendi Universal Games, Electronic Arts, and Atari. For more information: <http://www.technicolor.com>.

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