



Press Release

**Thomson Expands Telecommunications Focus In North America
To Achieve Increased Market Share**

Value-Added DSL Gateway, Video IP Solutions and Telephony Products Provide Telecom Operators with New Revenue Opportunities

Chicago, June 23, 2004 – Thomson (Euronext Paris: 18453; NYSE: TMS), the world leader in integrated solutions (technologies, equipment and services) for the entertainment and media industries today announced an expanded commitment to expand its telecommunications activities for North America. In 2003, Thomson combined its DSL (digital subscriber line), IP Video set top boxes and telecom and residential telephones into a new Thomson Telecom Group. As the DSL market leader in Europe with nearly 40 percent share (according to the Dell Oro Group), and a strong leadership position in Asia, Thomson has identified North America as the key market to ensure continued industry leadership.

“In recent months, telecommunications companies in the United States and Canada have reported steady DSL subscriber growth as these markets grow and mature,” said Ghislain Lescuyer, Executive Vice President, Thomson Broadband Access Products. “While Thomson has achieved significant share in the European and Asian markets, in the past few years we have not been focused on North America and the time is now to build momentum in these key markets to enhance our long term growth. We have made a strategic decision to be a significant player here and are launching this effort at Supercomm. With the telecommunications industry focused on expanding their services to the home, we believe this is an ideal time for us to promote a comprehensive suite of solutions,” Lescuyer concluded.

The renewed effort will include a range of DSL, IP Video and Voice over IP products and telephony products that are specifically designed to meet the needs of the telecom operator in the U.S. New residential and business DSL gateways and modems provide Telcos with the ability to create differentiated value-added service offerings such as network management, equipment and topology management, video, Voice over IP, content filtering, parental control, and file and printer sharing. On display at the DSL Forum Booth during Supercomm is the SpeedTouch 585 residential wireless gateway that combines key technologies such as IEEE 802.11g for advanced home networking and is compatible with ADSL2 and ADSL2+ standards.

Additionally, a product management team dedicated solely to North America will work closely with customers to identify and help deliver advanced product features and services. “It is our intent to create a close partnership with our customers and developing products that meet their individual needs is a key aspect of this initiative,” Lescuyer explained. To increase its presence in the market, Thomson recently expanded its sales force and appointed Herman Haas as vice president of sales to lead the team in the United States.

With its range of video IP set-top boxes, Thomson will aggressively develop the total end-to-end solution that allows the telecom operator to achieve the sought after “triple play” of voice, data and video service delivery. Both the RCA IP900, a cost-effective, efficient model that is currently being deployed by several telecom systems, and the new RCA IP1000, based on an advanced compression video delivery platform, are setting the standard for the delivery of home entertainment content over DSL.

“Thomson has a powerful IP video story backed by more than ten years of experience in developing digital and advanced video compression technologies. We partnered with Intel to develop the advanced compression platform in the IP1000 and have received support from many industry leaders including Microsoft, Alcatel, Allied Telesys, Minerva, Myrio, and VideoTele on both of our products,” Lescuyer added.

An increased emphasis will also be placed on the telephony category for the U.S. market. To support the fast growing VoIP category, Thomson will expand its sales and development team in the U.S. to better serve the needs of the telecom operator. Later this year, Thomson will be adding a new series of telephony products designed for the Telcos that includes a new color screen phone and a two-line 2.4 GHz telephone.

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Some of the statements contained in this press release, including statements by the management in relation to future expectations, represent “forward-looking statements” in the sense of the “Safe Harbor Statement” by the U.S. Private Securities Litigation Reform Act of 1995. These types of forward-looking statements are based on current expectations and assumptions on the part of the management and are subject to a range of factors and uncertainties which may lead to a considerable deviation of the results actually achieved from the expectations outlined either explicitly or implicitly in the forward-looking statements. This may be due to changes in global economic conditions, industry developments, a shift in the competitive situation or the passing of new legislation. More detailed information on the factors which may influence Thomson’s financial results can be found in the documentation submitted to the U.S. Securities and Exchange Commission.

About Thomson

Thomson (Euronext Paris: 18453; NYSE: TMS) provides end-to-end solutions (technologies, equipment and services) to the entertainment, broadcasting, telecommunications and retail industries. To advance and enable the digital media transition, Thomson has four principal divisions: Content and Networks, Consumer Products, Components, and Licensing. The company distributes its products under the Technicolor, Grass Valley, THOMSON and RCA brand names. For more information: www.thomson.net

Thomson's Broadband Access Products activity, part of Thomson's Content and Network division, is a leading supplier of digital entertainment receivers to the world's major satellite, cable and terrestrial broadcasters. It is also one of the leading suppliers of high-speed modems, IP set-top boxes, and telephones to Telecom companies around the globe. Products are marketed under the RCA, Thomson, SpeedTouch, and other brands.

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