



**Press release**

**Thomson Demonstrates First Advanced Compression  
IP Video Set Top Box at Supercomm 2004**

*RCA IP1000 is Based on Thomson Advanced Compression Video Delivery Platform*

**Chicago, IL, June 22, 2004** – An innovative, advanced IP set-top box designed to deliver rich and engaging home audio and video entertainment to consumers is being introduced this week by Thomson, (Euronext Paris: 18453; NYSE: TMS), the world leader in integrated solutions (technologies, equipment and services) for the entertainment and media industries. The RCA IP1000 is based on the company's new advanced compression video delivery platform that enables Telecom companies to deliver high-quality audio and video content through existing IP networks such as DSL.

Thomson worked closely with Intel to create the powerful, flexible and efficient technology platform, which incorporates an Intel\* Celeron\* processor 733 MHz and the Intel 830M4 chipset. Thomson chose the Intel chip to provide the raw processing power needed to decode advanced CODECS and produce high-quality pictures and sound. The RCA IP1000 supports current and next generation video coders-decoders (CODECS) including MPEG-2, MPEG-4 Part 2, Windows Media 9 Series, and MPEG-4 Part 10 AVC (H.264/JVT).

“For over a decade, Thomson has led the development of digital and advanced video compression technologies. This uniquely positions us to help Telecom companies deliver exciting new video and data services to their customers, which can build new business models and increased Telco revenues,” said Bruno Fabre, Vice President, Telecom division, Thomson. “This expertise, combined with the experience we have gained from the trials and deployments of our other IP Video products including the IP900, solidifies our role in this burgeoning and exciting category.”

With the IP1000, Telecom operators can deliver a complete home entertainment experience to consumers including hundreds of television channels, digital audio, web browsing, gaming and e-mail directly into the living room. The technology was designed to be flexible so operators can upgrade the software and applications directly from the network.

“Advanced compression allows Telecom companies to deliver more and better content through the existing broadband network, enabling them to compete effectively with other distribution systems such as cable and satellite,” explained Keith Wehmeyer, General Manager, Thomson IP Decoders. “In today's environment, content and ease of use are the key drivers of consumer satisfaction and the IP1000 meets these requirements.”

In developing the advanced compression platform, Thomson partnered with Intel, and then reached out to industry leaders Microsoft and Alcatel who are working with Thomson in bringing the IP1000 to market.





The system architecture co-developed by Thomson and Intel incorporates an Intel Architecture-based processor and chipset. The flexible and scalable nature of Intel Architecture drives the ability to bring enhanced video services to the home. "Intel's vision of the digital home includes providing consumers with easy access to their home entertainment content using connected devices and a range of wired and wireless options. We believe that the IP Video category is a key element of the digital home and the IP 1000 is one of the first devices within this group effectively delivering content over the IP network to the digital living room," said Glenda Dorchak, Vice President, Desktop Products Group/General Manager, Consumer Electronics Group, Intel. "Intel continues to collaborate closely with Thomson for the development of new products and services to advance our vision of the digital home."

The IP1000 will be the first set-top box platform to support the new Microsoft TV IPTV solution. "The IP1000 is ideal product for enabling exciting new home entertainment scenarios via broadband networks," said Lynne Elander, general manager of marketing, for Microsoft TV. "Its advanced capabilities, together with the compelling Microsoft TV IPTV solution, will provide IP network operators with a significant new market opportunity as they leverage their network investments to deploy digital TV services."

Thomson and Alcatel have worked together for several years to develop broadband entertainment solutions for Telecoms. "As the industry leader in Broadband and IPTV applications and services, one of the key success factors for Alcatel has been our ability to deliver highly flexible and customizable solutions that run in a scalable commercial environment," said Derek Kuhn, Director of Marketing for Alcatel's Information, Communication and Entertainment Activities. "With our Open Media Suite we deliver not only a software platform for IPTV, but together with partners like Thomson, we supply an end to end solution that is fully integrated with our customers' network."

Thomson has been working closely with SeaChange to incorporate video-on-demand capabilities into the IP1000. "With advanced compression technologies, telcos will deliver broadcast-quality standard-definition and high-definition video streams in half the bandwidth of current MPEG-2 technology," said Yvette Kanouff, corporate vice president of strategic planning, SeaChange International. "Thomson's RCA IP1000 set-top box paves the way for Telcos to deploy Video-on-Demand and other IP video services today and then easily bridge to advanced codecs later on. Combined with SeaChange's open VOD platform, Telcos gain an unprecedented assurance of long-term investment protection in planning for video services."

The RCA IP1000 set-top box has external interfaces for connecting a remote control or keyboards, two USB 2.0 ports, composite and S-Video outputs for either NTSC or PAL video, line-level stereo audio outputs, Optical SPDIF (optional), and 10/100 Mbps Ethernet.

The RCA IP1000 will be demonstrated in the DSL Home Road Show in the DSL Forum booth 20229 as well as the Intel and Microsoft booths.

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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) is the leading provider of technology and service solutions for integrated media and entertainment companies. By capitalizing on and expanding its leadership positions at the intersection of entertainment, media and technology, Thomson provides end-to-end solutions to content creators, video network operators, manufacturers and retailers through its Technicolor, Grass Valley, THOMSON and RCA brands. For more information: [www.thomson.net](http://www.thomson.net)

**Thomson's Broadband Access Products** activity, part of Thomson's Video Network Solutions 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 several brands including RCA, Thomson, and SpeedTouch.

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