



PRESS RELEASE

Thomson to exit its retail telephony activities in North America

Paris (France) – Indianapolis (USA) - 5 November 2008 - Thomson (Euronext Paris: 18453, NYSE:TMS) today announces its decision to exit with immediate effect its retail telephony activities in North America. This decision reflects CEO Frederic Rose's commitment to exit businesses that are unlikely to contribute to improving Thomson's profitability in the short to medium term.

The business, which is part of Thomson Grass Valley (formerly Systems), sells principally DECT telephones to retailers in North America. It accounts for some €135 million (at actual exchange rates) of revenues YTD 2008, a decline of 18% year-on-year, and is expected to report an operating loss of over €(20) million in the current year.

The charges associated with exiting the North American business are estimated to be in the region of €60 million of restructuring costs. The net cash impact of the decision to exit this activity is estimated at €(30) million over 2008/2009. The number of positions affected by the exit will be approximately 140 worldwide.

The Group's related European and remaining Asian activities are the subject of continuing review. Thomson will continue to pursue its business focusing on set-top boxes and multiple play gateways (including embedded telephony).

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About Thomson: a leader in video solutions

Thomson (Euronext Paris: 18453; NYSE: TMS) is a leading provider of solutions for the creation, management, delivery and access of video, for the Communication, Media & Entertainment (CME) industries. Our clients are studios, broadcasters, content distributors (telco, satellite and cable operators) and an increasing range of professional users of video. We deliver superior value to our customers through a combination of industry leading technologies and services, enabling us to offer differentiated and innovative solutions based on a broad portfolio of Intellectual Property.

For more information: <http://www.thomson.net>.

Press Relations

Marine Boulot	+33 1 41 86 55 97	marine.boulot@thomson.net
Caroline Ponsi	+33 1 41 86 61 11	caroline.ponsi@thomson.net
Linda Balti	+33 1 41 86 65 24	linda.balti@thomson.net

Investor Relations

James Johnson	+33 1 41 86 61 48	james.johnson@thomson.net
Laurent Sfaxi	+33 1 41 86 58 83	laurent.sfaxi@thomson.net