

Subject: Philips and Fracarro SMATV activities

This letter is to inform all interested people that, subject to an Agreement signed, on 15 of May 2002, by:

Koninklijke Philips Electronics N.V., a company incorporated under the laws of The Netherlands, with its registered address at Groenewoudseweg 1, Eindhoven, The Netherlands, registered with the Chamber of Commerce of Eindhoven under number 1910;

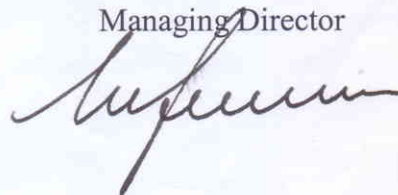
Philips France S.A.S., a société par actions simplifiée incorporated under the laws of France,, with its registered address at 2 rue Benoît Malon, 92150 Suresnes, France, registered with the Commercial Registry of Nanterre under number 402 805 527;

Fracarro Radioindustrie S.p.A., a company incorporated under the laws of Italy, with its registered address at Via Cazzaro 3, I-31033 Castelfranco Veneto (TV), registered with the Companies Registry of Treviso, under number PI 1618210262;

Fracarro France S.A.S., a société par actions simplifiée, incorporated under the laws of France, with its registered address at La Grande Arche, Paroi Nord, 92044 Paris La Défense, registered with the Commercial Registry of Nanterre under number ;

all worldwide activities of Philips SMATV have been transferred to Philips; Fracarro is furthermore entitled to use the Philips trademark, within the scope of the SMATV, for 30 months. All contracts, clients and suppliers related to SMATV activities have been transferred to Fracarro. Philips Thailand is currently acting as an agent of Fracarro France.

Nello Genovese
Managing Director



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