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Matsushita Avionics Systems' New System 3000i IFE Selected by Malaysia Airlines for B747-400 and B777-200 Cabin Upgrade

New system offers full range of entertainment and connectivity options

Kuala Lumpur (8 August 2003) – As announced at a signing ceremony here today, Matsushita Avionics Systems Corporation (MASC) has been selected by Malaysia Airlines (MAS) to provide the In-Flight Entertainment system for the airline's B747-400 and B777-200 First Class and Business Class Cabin Upgrade Program. The refurbished aircraft will be equipped with MASC's very latest IFE offering, System 3000i.

System 3000i (the "i" stands for Internet, Intranet and In-Flight Connectivity) is offered as an upgrade to MASC's flagship product, System 3000. S3000i provides an airline with a full range of entertainment and connectivity options so that their passengers can experience the great tools of an office environment and the dynamic entertainment options of a home theater system, all at their fingertips.

This new IFE system will provide Malaysia Airlines passengers with Audio and Video On Demand (AVOD) throughout the aircraft – in first class, business class and economy class. Since the system is fully interactive, each passenger will be able to start, stop, pause and resume their entertainment whenever they wish.

Additionally, new interactive services and capabilities will be introduced progressively by Malaysia Airlines, including e-mail, SMS, Internet and Intranet connectivity, live TV, and other great features including iXplor™, Matsushita Avionics Systems' innovative new interactive moving map application. If an airline so chooses, System 3000i's full range of connectivity and entertainment options can be expanded even further by MASMedia™, the content arm of MASC.

In his comments at the signing ceremony, Matsushita Avionics Systems President Takashi Mizuma noted, "Matsushita Avionics is very grateful that Malaysia Airlines has chosen our Inflight Entertainment Systems once again. MAS first selected a MASC system over seven years ago, back in 1996, when our

System 2000E was the commercial air transport industry's leading IFE system. As we work hard to develop new systems such as S3000i in response to the requirements of our customers and their passengers, it is our strong hope that over the years you will hear much more good news from Malaysia Airlines about our IFE systems."

According to Malaysia Airlines, "the refurbishment will start in Quarter 3, 2004. The first aircraft will re-enter into service... by Q4 2004."

About Panasonic Avionics Corporation:

Panasonic Avionics Corporation Panasonic Avionics Corporation is the world's leading supplier of in-flight entertainment and communication systems. Headquartered in Lake Forest, CA Panasonic Avionics Corporation employs approximately 2500 employees based in over 70 locations worldwide.

Panasonic Avionics Corporation is a subsidiary of **Panasonic North America** (PNA). Based in Secaucus, NJ, PNA is the principal North American subsidiary of **Matsushita Electric Industrial Co., Ltd.** (NYSE: MC) and the hub of Panasonic's US marketing, sales and service operations. Additional information on Panasonic Avionics Corporation is available at www.panasonic.aero. Additional information on Matsushita Electric and Panasonic is available at www.panasonic.com.