

Press release

Eutelsat selects Alcatel to build HOT BIRD™ 7A

Paris, July 28, 2003 – Alcatel Space, a subsidiary of Alcatel (Paris: CGEP.PA and NYSE: ALA) and Eutelsat S.A., one of the world's leading satellite operators, today announced the signature of a contract for the construction of the HOT BIRD™ 7A communications satellite. The order for this new satellite follows the loss of HOT BIRD™ 7 during launch last December. In addition to the original specifications, HOT BIRD™ 7A's mission has been expanded to provide additional back-up and replacement capacity at Eutelsat's key orbital slot, 13 degrees East, the world's leading neighbourhood for satellite television broadcasting. This expanded mission has led to the choice of a larger, more flexible satellite platform than for the original version.

HOT BIRD™ 7A will be based on Alcatel Space's Spacebus 3000 B3 platform. Launch is planned for the autumn of 2005, when the new satellite will join Eutelsat's HOT BIRD™ family of satellites co-located at the 13 degree East slot, currently broadcasting 676 video channels and 565 audio channels. Equipped with 38 Ku-band transponders of 33 MHz minimum each (end of life), HOT BIRD™ 7A will replace HOT BIRD™1. The other 20 transponders will be available for potential back-up and replacement capacity for the HOT BIRD™ 2, 3 and 4 satellites. HOT BIRD™ 7A has a design life of 15 years.

HOT BIRD™ 7A will be assembled and integrated in the clean rooms at Alcatel Space's Cannes and Toulouse plants in southern France. It will weigh about 4,000 kg at launch, and its solar panels will provide 10 kW of electrical power.

Following the contract signature, Eutelsat CEO Giuliano Berretta said: "HOT BIRD™ 7A will enable us to increase our capacity at the 13 degree East slot to 102 transponders dedicated to broadcast services for Europe, the Middle East and North Africa, regions in which Eutelsat has a penetration rate of 80 percent of the households with satellite or cable TV reception. The new satellite is very flexible as well, which enables it to potentially replace three other HOT BIRD™ satellites if necessary. This latest order reflects our commitment to maintaining, at this key orbital broadcasting position, a young fleet of satellites and to consolidating our back-up capabilities."

"We are very proud of winning the HOT BIRD™ 7A satellite contract against a tough international field of competitors," said Pascale Sourisse, Chairman and CEO of Alcatel Space. "We would like to reiterate our thanks to Eutelsat for their continued confidence in our company. HOT BIRD™ 7A is in fact the 16th satellite* that Alcatel Space will build for Eutelsat. Following orders from operators in South Korea, Africa and Brazil, the European leading operator has chosen our company. With four satellite contracts announced by Alcatel Space in less than two months, we continue to confirm our leadership in the communications satellite market."

* 5 EUTELSAT II (F1 to F5), 2 HOT BIRD™ (HB1, HB6), 4 EUTELSAT W (W2 to W5), SESAT (with NPO-PM), EUROBIRD™ and 2 ATLANTIC BIRD™ (AB2, AB3).

About Eutelsat

With capacity commercialised on 23 satellites that provide coverage from the Americas to the Pacific, Eutelsat S.A. is one of the world's leading satellite operators. Eutelsat's satellite infrastructure gives it the flexibility to offer direct-to-home broadcasting, video distribution and contribution services, corporate network solutions and a portfolio of IP applications including broadband Internet access and Internet backbone connections. As a total, Eutelsat's satellites broadcast more than 1300 television and 800 radio stations and reach an overall audience of 107 million cable and satellite homes.

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About Alcatel Space

Alcatel Space, a wholly-owned subsidiary of Alcatel, is the world's third largest satellite manufacturer and Number 1 in Europe. Deploying extensive dual expertise in civil and military applications, Alcatel Space develops satellite solutions for telecommunications, navigation, radar and optical observation, meteorology and science. The company is also the leading European prime contractor for earth observation, meteorology and navigation ground segments, and for space system operation. For more information, visit the Alcatel Space website: www.alcatel.com/space

About Alcatel

Alcatel provides end-to-end communications solutions, enabling carriers, service providers and enterprises to deliver content to any type of user, anywhere in the world. Leveraging its long-term leadership in telecommunications network equipment as well as its expertise in applications and network services, Alcatel enables its customers to focus on optimizing their service offerings and revenue streams. With sales of EURO 16.5 billion in 2002, Alcatel operates in more than 130 countries. For more information, visit Alcatel on the Internet: <http://www.alcatel.com>

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