

**CHINASATCOM AND EUTELSAT ITALIA/SKYLOGIC
ANNOUNCE STRATEGIC PARTNERSHIP FOR SATELLITE CONNECTIVITY
BETWEEN CHINA AND ITALY**

**ChinaSatcom and Skylogic create a two-way broadband network to connect
businesses, trade and government agencies**

Beijing, 6 December 2004

Skylogic, the broadband affiliate of Eutelsat, one of the world's leading satellite operators, and the Chinese leading telecommunications operator ChinaSatcom today signed an historic partnership agreement for two-way satellite communications between China and Italy for businesses, government agencies and other users in both countries.

The contract was signed in Beijing by Zhang Hainan, President of ChinaSatcom, and Giuliano Berretta, Chairman and Managing Director of Eutelsat Italia, in the presence of Antonio Marzano, Italian Minister for Trade and Industry, and Jiang Yao Ping, Deputy Minister of Information and Industry.

More than one thousand Italian businesses with offices, joint ventures and production units in China, as well as Chinese companies operating in Europe, will benefit from this new satellite partnership, thereby facilitating relations and interchanges between the two continents. The agreement will be implemented immediately after receiving the relevant approvals of the Chinese and Italian authorities. It is scheduled to begin in January 2005 with a period of training for ChinaSatcom engineers at Skylogic's teleport in Turin.

About ChinaSatcom:

China Satellite Communications Corporation is one of the six basic telecommunications operators in China. The main services of ChinaSatCom include satellite special services in communications, broadcasting and other fields; satellite mobile communication services; VSAT services; audio, data and multimedia services based on satellite transmission technology; network services; 800 MHz trunking services and satellite navigation services. Facing the fierce competition, ChinaSatCom is actively adjusting its business structures and cultivating new points of economic growth as well as marching towards a corporation with satellite characteristics as well as a corporation with the capability of providing integrated telecom services and information services.

About Skylogic:

Based in Turin, Northwest Italy, Skylogic operates one of the world's leading satellite broadband IP platforms. Opened in 2002, Skylogic's operational centre is equipped to offer a complete range of broadband services including content distribution, IP videostreaming, business TV, maritime applications, teleconferencing, remote control of installations, telemedicine, e-learning and voice over IP. The teleport is connected by fibre to the Internet exchange point in Turin and uses capacity on eight satellites in Eutelsat's fleet in order to serve users in Europe, Asia, the Americas and Africa. Skylogic customers include small and medium-sized businesses, multinationals, government agencies and aid organisations.

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