

Press release

Alcatel named prime contractor for European Union R&D MAESTRO project

For an improved Satellite & Terrestrial mobile network convergence

Paris, January 30, 2004 – In the scope of the European Union MAESTRO Reasearch and Development project (Mobile Applications & sErvices based on Satellite & Terrestrial inteRwOrking), Alcatel Space, a subsidiary of Alcatel (Paris: CGEP.PA and NYSE: ALA), will coordinate an international consortium of 20 partners addressing the whole mobile multimedia value chain. This partnership will enable the development and implementation of the innovative Satellite Digital Multimedia Broadcast (SDMB) technology. Based on the UMTS standard, this SDMB system will complement 3G mobile networks and provide the greatest broadband transmission capacity for multimedia services.

This 2- year project is valued at EURO 10.15 million, of which EURO 5.2 million is funded by the European Commission.

"Our vision is to take advantage of the natural assets of satellite systems and ensure the envisaged SDMB system is fully interoperable with terrestrial UMTS standards in order to encourage multimedia usage adoption in Europe and contribute to the successful deployment of 3G" explains MAESTRO project Coordinator Nicolas Chuberre from Alcatel Space.

"MAESTRO is certainly in line with market opportunities for next generation mobile satellite systems identified within the ASMS (Advanced Satellite Mobile Systems) Task Force", says Professor Giovanni E Corazza, from the University of Bologna and chairman of the ASMS-TF.

Studies conducted by the European Space Agency (ESA) and the French CNES have contributed to the emergence of the SDMB concept in Europe. Other projects such as MODIS, SATIN and RELY, in the scope of the European R&D program (EU IST FP5) have demonstrated the overall feasibility of the proposed innovations, the improvement of regulatory opportunities, and also the assessment of potential market benefits.

Starting from this strong European knowledge base, MAESTRO will proceed to specify, implement and validate the critical features of SDMB system architecture. Based on a solid consortium that achieves a well-balanced participation of mobile and satellite players, the

MAESTRO project will contribute to ensure wider adoption, broader availability of "3G and beyond" applications and services.

About MAESTRO

MAESTRO is an Integrated Project under EU Framework Program 6 for Research an Development. The project relevant with the thematic priority: "Information Society Technologies",is in line with the strategic objective "Mobile & Wireless System Beyond 3G". 20 partners from industry and academia are involved in the project, which has duration of 2 years. MAESTRO website: http://ist-maestro.dyndns.org

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 web site: www.alcatel.com/space

About Alcatel

Alcatel provides communications solutions to telecommunication carriers, Internet service providers and enterprises for delivery of voice, data and video applications to their customers or to their employees. Alcatel leverages its leading position in fixed and mobile broadband networks, applications and services to bring value to its customers in the framework of a broadband world. With sales of EURO 16.5 billion in 2002, Alcatel operates in more than 130 countries. For more information, visit us on the Internet: http://www.alcatel.com

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