

## Alcatel and Finmeccanica finalize creation of new joint ventures and announce nominations of senior management

**Paris/Rome, July 1<sup>st</sup>, 2005** - Alcatel (Paris: CGEP.PA and NYSE: ALA) and Finmeccanica (Milano: SIFI.MI, FNC.IM) today announced the successful creation of two new joint ventures effective as of July 1<sup>st</sup> 2005: Alcatel Alenia Space and Telespazio.

The creation of these two new companies represents a great opportunity for their growth. Their common objectives will be to consolidate leadership in telecommunication satellite systems and services, to acquire a strong position in the most important European programs, such as Galileo and GMES, and to strengthen space defence and security, as well as observation, exploration and science.

Alcatel Alenia Space, of which Alcatel holds 67% and Finmeccanica 33%, now combines the activities of Alcatel Space and Alenia Spazio. It focuses on the design, development, and manufacturing of space systems, satellites, payloads, orbital infrastructures and space transportation, instruments and associated ground systems for civilian and military applications. The operational headquarters of Alcatel Alenia Space are located in Cannes, France, with plants in France, Italy, Belgium and Spain. With estimated 2004 sales of 1.8 billion euros and around 7,200 employees, it is the European leader in satellite systems.

Telespazio, of which Finmeccanica holds 67% and Alcatel 33%, combines Telespazio with Alcatel Space Services and Operations activities. It concentrates on operations and services for satellite solutions, which include control and exploitation of space systems as well as value-added services for networking, multimedia and earth observation. Its headquarter is located in Rome, Italy with plants in Italy, France and Germany. With estimated 2004 sales of 350 millions euros and around 1,400 people, it is a key player in the space services market.

Alcatel and Finmeccanica will account for Alcatel Alenia Space and Telespazio using proportional consolidation. The creation of the new companies has a cash/debt impact of €109m for the two companies' shareholders.

Alcatel and Finmeccanica also announced today the nomination of the senior management responsible for each of the two European space companies:

### **Alcatel Alenia Space:**

**Mr. *Giorgio Zappa***, Chief Operating Officer Finmeccanica, will hold the position of Chairman of the supervisory board of Alcatel Alenia Space.

**Mrs. *Pascale Sourisse*** will hold the position of President and CEO of this new company.

### **Telespazio:**

**Mr. *Olivier Houssin***, Executive Vice President of Alcatel and President of its Private Communications Group that includes Alcatel's Space activities, will hold the position of Chairman of the board of directors of Telespazio.

**Mr. *Giuseppe Veredice*** will hold the position of CEO of this new company.

For the purposes of this transaction, Alcatel was advised by BNP Paribas, while Finmeccanica was advised by Lazard

#### **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 employees. Alcatel brings its leading position in fixed and mobile broadband networks; applications and services, to help its partners and customers build a user-centric broadband world. With sales of EURO 12.3 billion and 56,000 employees in 2004, Alcatel operates in more than 130 countries. For more information, visit Alcatel on the Internet: <http://www.alcatel.com>

#### **About Finmeccanica, S.p.A.**

Finmeccanica is Italy's leading high-tech company, operating in the design and manufacture of helicopters, civil and military aircraft, aerostructures, satellites systems and space infrastructure, satellite services, command and control systems, defence electronics and systems, communications, security and IT. Finmeccanica participates in some of the largest international programmes in the sector through well-established alliances with European and American partners. Finmeccanica also boasts significant manufacturing assets and skills in the transport and energy sectors. With operations in Italy and abroad, it employs around 51,000 staff in total. Finmeccanica spends 16% of its revenues on research and development. For more information, please visit <http://www.finmeccanica.it>

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