



Press release

Canada's University of Victoria selects Alcatel's optical and IP communications solution for Neptune - world's largest cable-linked seafloor observatory

Paris, October 20, 2005 — Alcatel (Paris: CGEP.PA and NYSE: ALA) today announced that it has signed a contract valued at approximately US 33 million dollars with the University of Victoria, Canada, to deploy an advanced submarine cable and data network for educational and oceanic research activities. The contract is part of the NEPTUNE (North-east Pacific Time-series Undersea Network Experiments) project that will serve as a platform for real-time oceanic monitoring and scientific experiments.

The contract was awarded together with Nautronix MariPro - the world leader in cabled undersea sensor systems, and Satlantic, a world leader in precision sensors and observing system technologies.

NEPTUNE is a joint U.S.-Canadian venture led by the University of Washington in the U.S. and the University of Victoria in Canada for installing a series of interactive seafloor observing sites to study activity within the ocean environment. The overall project will expand the boundaries of ocean exploration and introduce a new way of studying and understanding the planet. Using the Alcatel solution, the NEPTUNE network, will enable sustained research in shallow and deep ocean waters for unprecedented lengths of time since the observing sites are always accessible to land-based scientists.

The NEPTUNE Canada subsea-cabled observatory, in the form of an 800 km loop, will be deployed on the Juan de Fuca tectonic plate off the coast of Canada and will have nodes located at various points of scientific interest along the cable. Through these nodes, land-based scientists can connect to the network to monitor data and control acoustical, biological, geological science instruments and other equipment such as HDTV video cameras.

"This contract represents a major step forward in realizing the start of this long-anticipated and revolutionary project," says Dr. David Turpin, President of the University of Victoria. "UVic is proud to partner with Alcatel. Their participation on NEPTUNE Canada brings us another step closer to activating the world's largest, cable-linked underwater observatory and building on UVic's recognized leadership in oceans research."

"The versatility of submarine cables in transporting large volumes of optical data and reasonable amounts of power make them good candidates for the new applications offered in the field of undersea scientific observation," said Jean Godeluck, President of Alcatel's submarine network activity. "We are proud to support the University of Victoria in such an ambitious project. After our selection for the MARS (Monterey Accelerated Research System) cabled observatory project, this new award confirms our expertise in addressing new market segments."

Alcatel will design, manufacture, install, and commission the submarine cable system, based on dense wavelength division multiplexing (DWDM) technology, with an initial design capacity of 160 Gbit/s that can be easily and cost-effectively upgradeable in the future. Additionally, Alcatel will deploy its 1696 Metrospan (MS) system and 7450 Ethernet Service Switch (ESS) that will provide scalable and reliable Ethernet aggregation from all

nodes. The combination of optical and IP technologies will optimize bandwidth and minimize delays in information exchange between scientific teams. The Alcatel 1350 management suite will supervise both terrestrial and submarine optical networking equipment.

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>

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