

Alcatel and its partners welcome the support granted by the French Agency for Industrial Innovation (All) to the "Unlimited Mobile TV" project

Paris, April 25, 2006 - Alcatel (Paris: CGEP.PA et NYSE: ALA) and its partners welcome the recent decision by the French Agency for Industrial Innovation's (All) Steering Committee to support the "Unlimited Mobile TV" program, one of the new All-sponsored programs to boost industrial innovation.

The goal of the "Unlimited Mobile TV" program is to make television ubiquitously available on mobile phones and PDAs throughout all geographies, including inside buildings, with a wide range of programs and excellent image quality, regardless of the number of viewers simultaneously watching the same program. This universal coverage is made possible thanks to the unique combination of country-wide satellite coverage and terrestrial mobile networks for dense city coverage and interactivity.

As the project leader, Alcatel federates companies like Sagem Communication (SAFRAN Group) and Philips, as well as several innovative SMEs: DiBcom, an expert on integrated circuits for mobile TV reception, TeamCast, a specialist in DVB (Digital Video Broadcasting) standards modulators used for fixed and mobile Digital Terrestrial TV, and **UDcast, an Internet video transport and distribution specialist**. French university research centers, such as CNRS, INRIA and CEA-LETI are also involved in the project, which opens the door for work with laboratories throughout Europe.

The chosen solution is based on an evolution of the DVB-H standard in a unique frequency range in the S-Band reserved for satellites (2.2 GHz). It also relies on powerful radio coding known as OFDM (Orthogonal Frequency Division Multiplexing) which is well-suited to future generations of mobile telephony. The solution is entirely compatible with DVB-H in the UHF-Band and with 3G mobile telephony, extensively reusing existing 3G network infrastructure (sites, antennas, and base stations). The solution advocated by Alcatel and its partners is adapted for the European continent as well as in large countries like China, India, or Brazil.

Robert Havas, President of the All Directorate stated: "All 's mission is to promote and support large programs driving industrial innovation. We selected the "Unlimited Mobile TV" project because it is highly innovative technologically, it is a truly European solution, and because it targets a worldwide market thus creating great business opportunities in France and Europe. As the program leader, Alcatel set up a strong and coherent industrial and scientific group of partners that is able to position French and European technology on this new standard."

Olivier Coste, President of Alcatel's mobile broadcast activities, added: "Together with our top-notch industrial and scientific partners, Alcatel is proud that the Unlimited Mobile TV project was selected in the first group of projects to be sponsored by the All. Our goal for this program, is to give to consumers in Europe and around the world a high-quality mobile TV service, everywhere and for everyone. We are convinced that, thanks to the All decision, we will quickly be able to provide all mobile TV operators with a solution that is perfectly suited to the needs of their customers in this promising market."

About Sagem Communication

Sagem Communication (SAFRAN Group) is a major player in the Mobile and Broadband Communication industries, who has acquired a strong world-wide position thanks to renewed innovation. SAGEM products stand-out particularly in the following activities: mobile phones, printing terminals, residential terminals, digital TV, networks and electronic metering, etc. For more information, please visit our Web sites: www.sagem.com et www.safran-group.com

About DiBcom

DiBcom is at the heart of mobile TV. As a French fabless semiconductor company that designs high-performance chipsets, DiBcom enables low-power mobile and portable TV reception and at speeds up to 130 mph. The company's solutions are used in automotive, PC/peripheral and handheld device applications. DiBcom has extensive experience solving real-world mobile digital terrestrial television (DTT) reception problems and has overcome the main technological barriers to high-quality service. The company has developed patented algorithms and architecture for fast and accurate channel estimation and high Doppler compensation. Its chipsets are compliant with the current worldwide Digital Video Broadcast standards DVB-T and DVB-H. Founded in June 2000, DiBcom currently employs some 100 people all over the world. The company is headquartered in Palaiseau (France) with additional R&D office in Sweden and worldwide Sales offices in Germany, Taiwan, P.R. China (Shanghai), South Korea and US. DiBcom has attracted €40.7M of funding to date. For more information, please visit www.dibcom.com

About TeamCast

TeamCast is a fast growing technology supplier founded in France in 2003. TeamCast is now offering advanced OEM technology for telecommunications network equipment, as a comprehensive product range of highly integrated and robust functional modules. These modules - known as ModulCast Products - form technical 'building blocks' which can be integrated into customer's own equipment racks and systems, to produce any transmitting, receiving or translating functions required for digital television and radio broadcasting services. The TeamCast engineering team has been very much involved in the development, definition and verification of all the European digital Broadcast Standards (DVB-T, DAB/T-DMB), including leading the DVB-H workgroup in charge of the definition and edition of the standards for the distribution of multimedia content to mobile terminals such as cellular phones and other hybrid handheld terminals. TeamCast's customers are spread throughout Asia, Europe and America - wherever cost effective solutions for digital broadcasting are required. More information : www.teamcast.com

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 13.1 billion and 58,000 employees in 2005, Alcatel operates in more than 130 countries. For more information, visit Alcatel on the Internet:

About UDcast

UDcast is a leading provider of solutions for IP over broadcast media, focusing on delivery of IPTV to mobile devices, as well as satellite-aware enterprise networking solutions. UDcast provides DVB-H standard compliant IP network solutions for Mobile TV operators and broadcasters, supporting flexible content offering. In addition, UDcast provides feature-rich satellite IP appliances that bring terrestrial-like performances and security to broadband satellite links, enabling satellite service providers to deliver revenue-generating value added services that meet enterprise needs. Founded in 2000, UDcast maintains its global headquarters in Sophia-Antipolis, France. For more information visit www.udcast.com

Media Contact UDcast

Filip Gluszak, UDcast
+33 4 93 00 16 00 / +33 6 03 23 30 01
filip.gluszak@udcast.com