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PRESS RELEASE

FOR IMMEDIATE PUBLICATION

Space-oriented ULISS project benefits from Lyrtech vast experience in IP traffic solutions and FPGA architectures

Quebec City, Canada (October 23, 2006). Lyrtech Inc. (TSX Venture Exchange: LYT), a worldwide leader in digital signal processing (DSP) technologies, has announced today that it has successfully passed the first phase of the development project *Ultra Fast Internet Satellite Switching* (ULISS), in collaboration with Alcatel Alenia Space France and others partners, for the European Space Agency. Lyrtech's vast experience in IP traffic solutions and FPGA architectures is proving highly beneficial to this important European Space Agency (ESA) project

ULISS is a two-year project funded by the ARTES Canada-ESA program through which the Canadian Space Agency has financially supported Lyrtech in its development. The ULISS team is composed of four organizations within the European and Canadian space sectors — Alcatel Alenia Space France being the prime contractor, supported by the German Aerospace Center (DLR), Alcatel SEL R&I in Germany, and Lyrtech in Canada. The prime objective of this project is to efficiently supply circuit and packet switching solutions between a high number of spot beams, giving operators a great flexibility of bandwidth and waveforms, as well as a high quality of service, even during flight.

Lyrtech designed a custom board to handle the processing functions. The board can be configured for two different applications — switching control or IP traffic emulation and its associated monitoring.

Lyrtech also anticipated the generic reuse applications of the board. The board is equipped with three Xilinx Virtex-4 FPGAs, of which two are dedicated to user designs and one to I/O. A large amount of memory is available (up to 1 GB for storage and 128 MB for fast operation). Thanks to an advanced SoC architecture that involves gate-based and software-based processing in the same FPGA device, up to 1000 users per 3 ms can be accommodated using programmable IP traffic laws. All users can be individually monitored with trace files and filtering facilities. Lyrtech also paid particular attention to the configuration of the IP traffic generator (with hundreds of parameters) to stay compatible with the reference system simulator software format.

TSX Venture Exchange has neither approved nor disapproved the information contained herein and accepts no responsibility for it.

Lyrtech's design solution also includes a link layer solution definition for demonstrator board communications. Capitalizing on its DSP and FPGA experience, this allowed specifying a generic point-to-point protocol, compatible with slow rate supervision applications and fast command transmissions.

Lyrtech also actively participated in the extra upstream effort to rationalize development costs and to secure the integration phase where the three partners will integrate their design functions. Lyrtech stimulated productive exchanges between the different partners of the project and diligently investigated and evaluated cost-effective solutions for this project.

The related satellite processor demonstrator is planned to be prototyped in 2006–2007. This demonstrator will propose a scaled-down version of an ultra-fast packet switching satellite processor, implementing the main enabling technologies such as multi-gigabit transceivers and system-on-chip, emulated by a real-time Internet traffic generator for performance characterization.

The second phase of the design is underway and the demonstrator is planned to be completed at the end of 2007.

About Lyrtech

Lyrtech develops and manufactures advanced digital signal processing solutions for companies worldwide, a vital technology to network and wireless communications, audio and video processing, as well as electronic systems in all fields of technology. Lyrtech offers a full range of DSP-FPGA development platforms, as well as design, prototyping, and manufacturing of electronic products through its Innovator division.

From the company's state-of-the-art facility, Innovator offers prototyping services, new product introduction services, turnkey assembly, box build assembly, and other electronic manufacturing services, providing customers with a quality production run of highly complex products with a fast turnaround.

Lyrtech works in partnership with industry leaders such as Texas Instruments, The MathWorks, and Xilinx. Lyrtech's customers include many prestigious names of the consumer electronics, telecommunications, aerospace, and defense fields such as Fujitsu, Harris, ITT, Motorola, Neural Audio, NTT DoCoMo, and Samsung-Thales.

About Alcatel Alenia Space

Alcatel Alenia Space is the European leader in satellite systems, at the forefront of orbital infrastructures. Created in July, 2005, the company brings together the vast experience and know-how of Alcatel Space and Alenia Spazio to form a new leading force in European space technology. Alcatel Alenia Space represents a worldwide standard for space development that impacts everybody's future: from navigation to telecommunications, from meteorology to environmental monitoring, from defense to science and observation. Alcatel Alenia Space is an affiliate of Alcatel (Paris: CGEP.PA and NYSE: ALA) (67%) and Finmeccanica (Milan: SIFI.MI, FNC.IM) (33%).

About Alcatel

Alcatel provides communications solutions to telecommunications 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 €13.1 billion and 58,000 employees in 2005, Alcatel operates in more than 130 countries. For more information, visit Alcatel on the Internet at www.alcatel.com.

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