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**E-FARICE SELECTS TYCO TELECOMMUNICATIONS TO CONSTRUCT
DANICE 2250 KM UNDERSEA FIBER OPTIC CABLE SYSTEM CONNECTING
ICELAND AND DENMARK**

*State-of-the-Art System Will Provide Robust, High Bandwidth Communications to
Facilitate Data Center Development in Iceland*

REYKJAVIK, ICELAND and MORRISTOWN, NJ – January 9, 2008 – Icelandic telecommunications provider E-Farice and Tyco Telecommunications, a business unit of Tyco Electronics and an industry pioneer in undersea communications technology, announced today the signing of a contract to construct the DANICE undersea fiber optic system to provide high bandwidth connectivity between Landeyjar, Iceland and Blaabjerg, Denmark. The system will serve the burgeoning data center market in Iceland by providing direct access to Western Europe via a state-of-the-art undersea fiber optic link.

“Iceland has a rapidly expanding data center market by virtue of its highly educated work force, affordable power and strategic location” explains Gudmundur Gunnarsson, CEO of E-Farice. “Coupled with the original FARICE system, which connects Iceland and the Faeroes to Scotland, DANICE will enable us to serve our data center customers as well as our traditional telecommunications customers with a diverse and reliable solution for many years to come. The undersea solution we are deploying with Tyco Telecommunications meets our stringent criteria for capacity, scalability and robustness using advanced, proven technologies.”

The system will be comprised of a four fiber-pair point-to-point link and will have an ultimate capacity to transmit 128, 10 Gigabit wavelengths on each fiber pair for a total bandwidth of more than five Terabits. Onward connectivity from Landeyjar to other locations in Iceland will be provided through service agreements with Icelandic carriers. Onward connectivity from the landing at Blaabjerg, Denmark to the rest of Europe will be provided through service agreements with international carriers.

“DANICE is a high-capacity regional system designed to deliver an industry-leading 1.3 terabits per fiber pair” says Rob Munier, Managing Director for global solutions at Tyco Telecommunications. “To do that, we will deploy our latest generation terminal equipment, which features high performance in a remarkably small package. For the marine installation we plan to use our state-of-the-art Reliance-class cable ships to ensure the highest quality placement and protection of the undersea plant on the seabed in the challenging waters of the North Atlantic and the North Sea.”

Tyco Telecommunications expects to deliver the system by the end of 2008.

About Tyco Telecommunications

Tyco Telecommunications, a business unit of Tyco Electronics and an industry pioneer in undersea communications technology and marine services, is a leading global supplier for today's undersea communications requirements.

Drawing on its heritage of technical innovation and industry recognized performance, the company delivers the most reliable, high-quality solutions to organizations with undersea communications needs vital to their core mission. In more than five decades of operation, Tyco Telecommunications has designed, manufactured, and installed more than 80 undersea fiber optic systems around the world. Tyco Telecommunications' global presence, backed by industry leading research and development laboratories, manufacturing facilities, installation and maintenance ships, depots, and management team work together to implement integrated solutions and network upgrades, with unsurpassed reliability, that support the needs of telecommunications, internet providers, offshore and science customers worldwide.

For more information visit www.tycotelecom.com

About E-Farice

E-Farice is owned by the three largest power companies in Iceland, the Icelandic State and the two largest telecom operators in Iceland.

E-Farice owns 80% of the shares in the company Farice hf, which owns and operates the FARICE subsea cable system linking Iceland and the Faroes with Scotland. The remaining 20% are owned by Faroese shareholders. The FARICE cable system was installed in 2003.

Farice hf provides its customers with international connectivity between Iceland and the Faroe Islands, and Europe.

For more information visit www.farice.is

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