

Press release

Alcatel-Lucent signs non-UK network transformation contract with BT

Contract to improve & optimise BTs non-UK legacy network

Paris, November 7, 2008 - Alcatel-Lucent (Euronext Paris and NYSE:ALU) today announced a seven-year extension of its partnership with BT (LSE: BT.A; NYSE: BT), focused on the support of BT's global network operations. The agreement is aimed at further enhancing the services delivered to BT Global Services' customers and at optimising BT's non-UK non-IP network.

Under the contract, Alcatel-Lucent will manage most of the legacy networks serving BT Global Services' customers. This will enable BT to focus on its Global 21CN Platform in order to further improve the customer experience, speed up the delivery of new services and reduce cost and complexity. The contract is built on the two companies' Multi-Vendor Managed Services contract signed in November 2006.

"This contract will help us to better serve our customers. BT will be free to focus on its global 21st century platform, while Alcatel-Lucent can concentrate on further improving standards of service for those using our legacy networks" said Hanif Lalani, the newly appointed CEO of BT Global Services. "Alcatel-Lucent's innovative thinking and its experience in delivering best in class services and network management is widely recognised in the industry. BT expects to derive significant cost savings and accelerated network optimisation over the lifetime of this contract" he added.

"BT has offered us a complex challenge and we are excited to be expanding our trusted partner relationship. It draws on our strengths as a global services player, ready to partner with its customers in their business transformation programmes," said Andy Williams, President of Alcatel-Lucent's Services business activities. "BT has given us an opportunity to demonstrate that we are a thought leader in network transformation, managed network services and a leader in the multi-vendor maintenance arena."

During the first phase of the project Alcatel-Lucent will assume operations for five legacy global and domestic networks in 27 countries outside the UK, along with the BT Global Managed Platform legacy transport network.

A few hundred BT employees will transfer to Alcatel-Lucent within the scope of the project.

Alcatel-Lucent already operates more than 70 networks on behalf of service providers around the world, covering more than 140 million subscribers.

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions that deliver voice, data and video communication services to end-users. A leader in fixed, mobile and converged broadband networking, IP technologies, applications and services, Alcatel-Lucent leverages the unrivalled technical and scientific expertise of Bell Labs, one of the largest innovation powerhouses in the communications industry. With operations in more than 130 countries and the most experienced global services organization in the industry, Alcatel-Lucent is a local partner with a global reach. Alcatel-Lucent achieved revenues of Euro 17.8 billion in 2007 and is incorporated in France, with executive offices located in Paris. For more information, visit Alcatel-Lucent on the Internet: http://www.alcatel-lucent.com

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