

China Telecom selects Alcatel-Lucent for USD 230 million upgrade for CDMA mobile network

Paris, December 2, 2008 — Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced that it has been selected by China Telecom, China's leading telecom operator, to provide end-to-end communication solution for China Telecom and increase the capacity and coverage of its mobile voice and data network throughout the country. The contract was secured through Alcatel Shanghai Bell, Alcatel-Lucent's Chinese flagship company.

With this USD 230 million contract, Alcatel Shanghai Bell will provide its unparalleled end-to-end CDMA wireless networking solutions for China Telecom in 56 cities of 9 provinces in China. The deployment is currently underway and the expanded network will begin providing commercial services by the end of 2008. Alcatel Shanghai Bell also will provide IP service routers and applications platforms and services for the deployment.

"China Telecom is making a bold investment in the country's communications infrastructure to ensure that the people of China have access to some of the most sophisticated and useful mobile services available, such as mobile Web access," said Olivia Qiu, President of Alcatel Shanghai Bell. "This agreement builds on our longstanding collaboration with China Telecom and our commitment to ensure that they have a state-of-the-art network that supports their business goals and strategy. The agreement with China Telecom further confirms Alcatel-Lucent's leading position in the CDMA market in China and worldwide."

For the deployment, Alcatel Shanghai Bell will provide a robust infrastructure incorporating a range of base stations designed to fit a wide variety of deployment scenarios, from those designed to serve usage-heavy urban areas to those suited to providing coverage in more rural areas where populations are more dispersed. These bases stations all use many common hardware and software elements, allowing for easier maintenance and lower operating costs, and can be readily upgraded to support 3G services in the future.

Alcatel-Lucent is the world's leading CDMA/EV-DO vendor with global market share of more than 46 percent in 2007, far exceeding that of the company's closest competitor. Alcatel-Lucent also is a global leader in the development and deployment of third-generation (3G) networks, having deployed commercial 3G (UMTS/HSPA and CDMA/EV-DO) systems for more than 70 operators worldwide.

Alcatel-Lucent is strongly committed to strengthening its position in the mobile market.

About China Telecom

China Telecommunications Corporation (China Telecom) is an extra-large state-owned telecom operator organized according to China's telecom industry reform scheme. As a principal telecom enterprise and the greatest basic telecom operator of China, China Telecom owns the global largest fixed-line telephone network that covers the cities and towns as well as the rural areas of China and penetrates to every corner of the world. Member units of China Telecom include 31 provincial (municipal and autonomous regional) enterprises which provide telecom services nationwide.

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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