

**Telecom New Zealand selects Alcatel-Lucent
to deploy IP/MPLS-based mobile backhaul**

Paris, December 3, 2008 - Alcatel-Lucent (Euronext Paris and NYSE:ALU) has been selected by Telecom New Zealand (Telecom) to deploy its IP Multi- Protocol Label Switching (IP/MPLS)-based mobile backhaul solution. This will enable Telecom to accommodate its growing cellular W-CDMA and High Speed Packet Access (HSPA) traffic needs and to cost effectively scale its mobile services across a unified network infrastructure. Alcatel-Lucent's IP/MPLS solution is being rolled out across Telecom nationwide and supports its strategic transition to all-IP network.

Alcatel-Lucent's solution features pseudowire technology, which adapts various traffic and media types from the W-CDMA base stations into IP/MPLS. As Telecom moves to a W-CDMA and HSPA deployment, the backhaul network will have the flexibility and cost-effective scalability needed to support strong traffic growth. Telecom's mobile backhaul network will also leverage the existing IP/MPLS aggregation network already provided by Alcatel-Lucent for residential and business services. This supports Telecom's strategic decision to consolidate services onto a converged network infrastructure.

"Alcatel-Lucent's backhaul solution resolves the issue of cost-effectively transporting the exponential growth of data services we expect from the deployment of the W-CDMA mobile network," said Stuart Sutton, Chief Technology Officer - Technology and Shared Services, Telecom New Zealand. "It will allow us to scale efficiently and rapidly roll out exciting new mobile broadband services, while its high availability features will ensure a reliable mobile broadband service for our customers."

Alcatel-Lucent's pseudowire solution includes the 7705 Service Aggregation Router (SAR) which is deployed in cellular base station sites to consolidate and aggregate traffic. The Alcatel-Lucent 7705 SAR allows service providers to scale traffic and simultaneously flatten their cost-curves for leased bandwidth, therefore improving their competitiveness. The 7705 SAR inherits its software architecture from the widely deployed IP/MPLS Service Router product line, retaining and building on its qualities but at a price and form factor appropriate to the cell site and hubs.

"We are building on our success with Telecom in supporting existing residential and business services with our IP/MPLS products," said Steve Lowe, Chief Executive Officer, Alcatel-Lucent New Zealand. "With the addition of the 7705 SAR, and interworking capability with our entire service routing portfolio, Alcatel-Lucent is bringing an end-to-end converged solution for mobile traffic transport."

The contract reconfirms Alcatel-Lucent's expertise in addressing mobile operators' requirements, enabling CDMA and GSM/W-CDMA service providers to profitably scale their networks. By providing an evolution path for any type of infrastructure (copper, fibre, wireless), Alcatel-Lucent delivers integrated, end-to-end management across fixed and mobile technology. With its Mobile Evolution Transport Architecture (META), Alcatel-Lucent has developed the industry's most comprehensive vision for the evolution of mobile networks from TDM to all-IP.

In addition to the Alcatel-Lucent 7705 SAR, TNZ has already deployed a Carrier Ethernet network based on Alcatel-Lucent's 7450 Ethernet Services Switch and an IP/MPLS infrastructure for residential services based on the Alcatel-Lucent 7750 Service Router - all managed end-to-end by the Alcatel-Lucent 5620 Service Aware Manager.

Over 250 service providers in more than 100 countries around the world have selected the Alcatel-Lucent IP/MPLS portfolio as key elements of their IP transformation. According to Ovum RHK, Alcatel-Lucent holds the No. 2 position in the IP/MPLS Edge market segment.

For more information, please visit: www.alcatel-lucent.com/ipnews

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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