

Chunghwa Telecom and Alcatel-Lucent to deploy Taiwan's first femtocell network to improve mobile network coverage in homes and offices

Paris, December 10, 2008 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced that it has been awarded a Femtocell bid from Chunghwa Telecom, Taiwan's largest telecommunications provider, to deploy Taiwan's first femtocell network, which will enhance the coverage of Chunghwa Telecom's mobile network inside homes and offices.

Chunghwa Telecom plans to launch its femtocell service with the goal of extending and improving its cellular coverage throughout Taiwan, particularly in homes where the signal sometimes may be either limited or unavailable. Femtocells are small base stations, about the size of a paperback book that can be deployed in home or office environments to extend the reach of mobile networks, bringing subscribers the coverage, data speed and quality of a "five bars" experience even inside buildings. The deployment also will enable Chunghwa Telecom to improve the capacity of its network and reduce operational costs.

Alcatel-Lucent will supply Chunghwa Telecom with a comprehensive end-to-end solution including its Base Station Router (BSR) Femto - which incorporates 3G W-CDMA radio access and core network elements into one compact, easy-to-deploy unit. The deployment will include the company's service routers and Home Device Manager from Motive, now part of Alcatel-Lucent's portfolio. Additionally, Alcatel-Lucent will be responsible for deployment, project management and end-to-end network integration for the project.

"Alcatel-Lucent has a very comprehensive Femtocell solution and their superb product performance was well demonstrated this time," said Mu-Piao Shih, Vice President and Spokesman of Chunghwa Telecom Mobile Business Group. "We are delighted to have Alcatel-Lucent as our trusted and reliable partner for this Femtocell project."

"Chunghwa Telecom is committed to being a leader in providing attractive, reliable services to its customers no matter where they are - in their homes or offices or in between," said Larry Chai, president of Alcatel-Lucent Taiwan. "Alcatel-Lucent is in an ideal position to help Chunghwa Telecom achieve this goal with its industry-leading wireless and wireline portfolio, expertise in deploying robust communications solutions that integrate a wide array of products into reliable, high-capacity networks."

Alcatel-Lucent's BSR Femto will use subscribers' current broadband services to transport voice and data traffic between the individual base stations and Chunghwa Telecom's existing network, offering a cost-effective alternative to traditional backhaul methods. The Alcatel-Lucent solution protects Chunghwa Telecom's existing infrastructure investment because the BSR Femto supports legacy circuit-switched voice and data applications while making possible high-speed packet access (HSPA) data services and advanced capabilities such as mobile TV and IMS applications. Upon completion of the project, Chunghwa Telecom subscribers will be able to use their current phones to access attractive in-home mobile services that operate seamlessly with their existing mobile phone service. This means they will have the advantage of being able to get a range of services from one provider through a single account and a single, common sign-on procedure.

The BSR Femto offers another key benefit to operators, which is its patented auto-configuration approach. This enables service operators to deploy and more easily manage large numbers of small, stand-alone base stations, which helps reduce the operational burden on operators while helping to ensure a simple, relatively trouble-free experience for end-users.

As a global leader in the development and deployment of third-generation networks, Alcatel-Lucent has also deployed commercial 3G (W-CDMA/HSPA and CDMA/EV-DO) systems for more than 70 operators worldwide.

For more information on Alcatel-Lucent Femtocell solution, visit http://innovationdays.alcatel-lucent.com/2008/my_demo_play.php?id=12

About Chunghwa Telecom

CHT completed its corporatization on 1 July 1996 under the direction of the Ministry of Transportation and Communications according to the Telecommunication Act and Memorandum of Chunghwa Telecom Corporation. Incorporated with a registered capital at NT\$96.477 billion, CHT chiefly provides telecommunication and information-related services. Its scope of services covers city call, long-distance calls, international calls, GSM, data communication, Internet services, broadband networking, satellite communication, intelligent network, mobile data and multimedia broadband. As the most experienced and largest integrated telecommunication operator in Taiwan, CHT is one of the most important partners for international telecommunication cooperation, with distinctive achievements in promoting global real-time communication, improvement social life, and enhancing economic efficiency.

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>

Alcatel-Lucent Press Contacts

Régine Coqueran	Tel: + 33 (0)1 40 76 49 24	regine.coqueran@alcatel-lucent.com
Alix Cavallari	Tel: + 33 (0)1 40 76 16 58	alix.cavallari@alcatel-lucent.com

Alcatel-Lucent Investor Relations

Rémi Thomas	Tel: + 33 (0)1 40 76 50 61	remi.thomas@alcatel-lucent.com
Tom Bevilacqua	Tel: + 1 908-582-7998	bevilacqua@alcatel-lucent.com
Tony Lucido	Tel: + 33 (0)1 40 76 49 80	alucido@alcatel-lucent.com
Don Sweeney	Tel: + 1 908 582 6153	dsweeney@alcatel-lucent.com