

**Alcatel-Lucent supports Telefonica for Spain's first
IPTV interactive advertising proof of concept pilot**

IPTV World Forum London, March 24, 2009 – Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced its collaboration with Telefonica in an extensive interactive IPTV advertising proof of concept pilot for its Imagenio IPTV customers throughout Spain. Telefonica has relied on an innovative application enablement solution from Alcatel-Lucent, bringing increased interactivity and web 2.0 features to the TV experience of Imagenio's already robust IPTV platform.

This service has enabled TV viewers to use their remote controls to access interactive content linked to a specific consumer brand product.

Alcatel-Lucent solution's interactive capabilities make the TV viewing experience more personal and compelling for users. This innovative solution also enables to measure the audience to precisely analyze and optimize the effectiveness of particular.

This advertising solution, one of the many Application Enablement technologies from Alcatel-Lucent, leverages Alcatel-Lucent's targeted and interactive advertising solution to pioneer a new type of TV advertising business model that combined the advanced functionality of the service provider's network with the Web creativity of the advertising world to offer high-margin high-value targeted interactive campaigns. In this application Imagenio's customers can interact with Web content in real time - seamlessly accessing Web-based content such as games, additional information, competitions, etc.

"We worked closely with Telefonica to develop and launch this strategic proof of concept pilot and we have successfully demonstrated that this new advertising model is possible. This is a model that is more rewarding for the user as it matches his lifestyle and interests, is more effective for advertisers as they now have a powerful new tool to reaching their target audiences and measuring their campaign's success", said Alfredo Redondo, Alcatel-Lucent's Global Account leader for Telefonica.

Responding to the interest from advertisers to create and develop tighter one-on-one relationships with potential customers, this new solution enables Telefonica to offer their advertisers a powerful new way to reach more than half a million TV households in Spain in a deeply interactive way not possible through traditional advertising.

About Telefónica

Telefónica is one of the largest telecommunications companies in the world in terms of market capitalization. Its activities are centered mainly on the fixed and mobile telephony businesses with broadband as the key tool for the development of both. The company has a significant presence in 25 countries and a customer base that amounts to more than 259 million accesses around the world. Telefónica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy. Telefónica is a 100% listed company, with more than 1.5 million direct shareholders. Its share capital currently comprises 4,704,996,485 ordinary shares traded on the Spanish Stock Market (Madrid, Barcelona, Bilbao and Valencia) and on those in London, Tokyo, New York, Lima, Buenos Aires and São Paulo.

About the Alcatel-Lucent solution

This interactive IPTV solution is based on Alcatel-Lucent's 5930 Interactive Media Manager which enables dynamic interactive applications and advertising campaigns. It also leverages Alcatel-Lucent experience in end-to-end network integration for open innovation ecosystems. Alcatel-Lucent is a recognized leader in IPTV. Today, Alcatel-Lucent is supporting more than 2 million IPTV subscribers and over 50 service provider customers worldwide, as IPTV becomes a key element in many service providers' triple and quad play service bundles.

About Alcatel-Lucent

Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions that to 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 16.98 billion in 2008 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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