

Portugal Telecom selects Alcatel-Lucent's fiber-to-the-home GPON technology for its Fiber Optics network implementation

Paris, June 2, 2009 – Alcatel-Lucent (Euronext Paris and NYSE:ALU) today announced that it has been selected by Portugal Telecom, the leading Portuguese telecom operator, to deploy the country's largest network based on fiber-to-the-home (FTTH) gigabit passive optical network (GPON) technology. Portugal Telecom will implement a next generation network that will take optical fiber to the Portuguese end users homes, giving them access to high speed and high quality services, whilst answering to their needs and demands.

Alcatel-Lucent's GPON technology will enable Portugal Telecom to offer very high-speed access to residential and business users, enabling them to simultaneously watch several high-definition TV channels and to surf the Internet 10 times faster.

"Portugal Telecom has always been committed to innovation to the market and its clients. The new optical fiber network will be the network for the next 100 years" said Zeinal Bava, CEO of Portugal Telecom. "Through the partnership with Alcatel-Lucent, we can continue to deploy new and advanced service offerings, providing reliable and premium connectivity services that will revolutionize our customer's experience. With Alcatel-Lucent's GPON platform, we can offer an unmatched HDTV experience and the fastest Internet download and upload speeds."

"This contract is a key milestone for Alcatel-Lucent, following the triple play IPTV contract with Portugal Telecom. It further strengthens our leading position in the FTTH market worldwide as well as in Portugal," said Adolfo Hernandez, President of Alcatel-Lucent's activities for Europe Middle East and Africa. "We are fully committed to support the evolution of Portugal Telecom's network, enabling them to deliver the most advanced TV, Internet and voice services in Portugal."

Alcatel-Lucent will deploy its 7342 Intelligent Services Access Manager Fiber-to-the-User (ISAM FTTU) and the related Alcatel-Lucent 5520 Access Management System for element management. In addition, Alcatel-Lucent is supplying the Optical Network Terminals (ONTs) to install at the end-users' premises.

Alcatel-Lucent is the worldwide leader in the fixed broadband access market, supporting the largest mass deployments of video, voice and data services. Today, one out of three fixed broadband subscribers around the world is served through an access network provided by Alcatel-Lucent. Alcatel-Lucent is currently involved in over 90 FTTH projects worldwide, over 75 of which are with GPON. Alcatel-Lucent is also a global leader in design, deployment, installation and maintenance of networks through its Services business.

