

Alcatel-Lucent confirms 1Q'09 broadband access leadership, performing strongly in VDSL and GPON

Alcatel-Lucent leads in 1Q'09 DSL, IP DSL & VDSL shipments - according to Dell'Oro; 30% more GPON customers since 1Q'08

Paris, June 8, 2009 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) today confirmed its position as the market leader in 1Q'09 DSL, IP DSL and VDSL shipments - backed by the latest Dell'Oro *DSL Access Concentrator Report*¹. From a gigabit passive optical network (GPON) perspective, Alcatel-Lucent announced impressive growth figures as well - extending its customer reference list at a rate of 30% since 1Q'08.

In 1Q'09, Alcatel-Lucent shipped nearly 5.4 million digital subscriber lines (DSL), which equals a market share of 34% (port shipments, according to Dell'Oro). Alcatel-Lucent thus raises its total number of DSL lines shipped to more than 190 million and continues its worldwide number-1 position in the DSL space, in a market environment where operators are investing more cautiously as a result of the weak global economy.

More importantly, however, Alcatel-Lucent has succeeded to dramatically expand its leadership in VDSL (the DSL-flavor and revenue-generator of the future) - all while increasing its overall DSL market share in all regions around the world (outside of APAC). This comes at the expense of its main competitors.

Some figures (port shipments, according to Dell'Oro) -

- Alcatel-Lucent has secured a 1Q'09 market share of 50,3% in VDSL (+14,7% QoQ); this is more than four times the market share of its nearest competitor, with the gap widening quarter after quarter;
- Alcatel-Lucent holds the absolute number-1 position in North American DSL shipments (59,8% in 1Q'09, +5,3% QoQ); this is more than three times the market share of the nearest competitor;
- Alcatel-Lucent has strengthened its DSL leadership in the EMEA region with a market share of 48,2% in 1Q'09 (+5,9% QoQ), more than two times the market share of its nearest competitor;
- And the same goes for Dell'Oro's Rest-of-World (RoW) region, where Alcatel-Lucent has secured a 1Q'09 market share of 63,3% (+4,1% QoQ), nearly three times the market share of the nearest competitor.

Building on this footprint, Alcatel-Lucent has again been identified as the leading player in the IPTV Access market - according to the latest MRG IPTV Market Leaders report². Actually, Alcatel-Lucent dominates this space with a 41% market share (four times the market share of its nearest competitor). In its report, MRG confirms that Alcatel-Lucent is the only vendor focusing on all four (geographic) regions, and is deployed in 10 out of the top 25 IPTV service providers worldwide.

¹ DSL Access Concentrators (Single Service + Multiservice) (Worldwide & Regions) (1Q09), May 13th 2009, Dell'Oro Group, <http://www.delloro.com/>

² IPTV Market Leaders Report, March 2009, MRG, Inc., <http://www.mrgco.com/>

“Our sustained leadership in fixed broadband access builds to a great extent on our continuous innovations,” says Dave Geary, President of Alcatel-Lucent’s Wireline Networks activities. “We are very proud that our customers recognize this effort, by choosing for Alcatel-Lucent’s newer-generation access technologies - such as our market-leading IP DSL, VDSL and FTTH GPON and P2P fiber solutions. Actually, compared to twelve months ago, 30% more contracts have been added to our GPON customer reference list. Alcatel-Lucent is now involved in more than 95 FTTH projects - 80 of which are based on GPON technology. Alcatel-Lucent thus continues to lead the FTTH and GPON markets, serving leading operators such as Verizon, France Telecom, Portugal Telecom and Hong Kong Broadband Network Limited.”

Editorial background material

- France’s Axione selects Alcatel-Lucent’s solutions to help bridge region’s Digital Divide (Jan 7th, 2009)
http://www.alcatel-lucent.com/wps/portal/!ut/p/kcxml/04_Sj9SPykssy0xPLMnMz0vMOY_QjzKLd4x3tXDUL8h2VAQAURh_Yw!!?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Releases_2009/News_Article_001390.xml
- Alcatel-Lucent expands portfolio with eco-sustainable broadband access gear that further reduces environmental impact of fiber-based networks (Feb 12th, 2009)
http://www.alcatel-lucent.com/wps/portal/!ut/p/kcxml/04_Sj9SPykssy0xPLMnMz0vMOY_QjzKLd4x3tXDUL8h2VAQAURh_Yw!!?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Releases_2009/News_Article_001433.xml
- Alcatel-Lucent remains the worldwide leader in the fixed broadband access market (Feb 25th, 2009)
http://www.alcatel-lucent.com/wps/portal/!ut/p/kcxml/04_Sj9SPykssy0xPLMnMz0vMOY_QjzKLd4x3tXDUL8h2VAQAURh_Yw!!?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Releases_2009/News_Article_001461.xml
- M-net awards contract to Alcatel-Lucent for 100 Mbps fiber access network in Munich area (Feb 27th, 2009)
http://www.alcatel-lucent.com/wps/portal/!ut/p/kcxml/04_Sj9SPykssy0xPLMnMz0vMOY_QjzKLd4x3tXDUL8h2VAQAURh_Yw!!?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Releases_2009/News_Article_001465.xml
- Telekom Srbija selects Alcatel-Lucent’s optical and broadband access technology for network expansion (Mar 12th, 2009)
http://www.alcatel-lucent.com/wps/portal/!ut/p/kcxml/04_Sj9SPykssy0xPLMnMz0vMOY_QjzKLd4x3tXDUL8h2VAQAURh_Yw!!?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Releases_2009/News_Article_001479.xml
- Alcatel-Lucent helps service providers expand their broadband offerings for business customers over existing copper access networks (Mar 20th, 2009)
http://www.alcatel-lucent.com/wps/portal/!ut/p/kcxml/04_Sj9SPykssy0xPLMnMz0vMOY_QjzKLd4x3tXDUL8h2VAQAURh_Yw!!?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Releases_2009/News_Article_001493.xml
- Alcatel-Lucent confirmed as global IPTV access and middleware market leader (Apr 30th, 2009)
http://www.alcatel-lucent.com/wps/portal/!ut/p/kcxml/04_Sj9SPykssy0xPLMnMz0vMOY_QjzKLd4x3tXDUL8h2VAQAURh_Yw!!?LMSG_CABINET=Docs_and_Resource_Ctr&LMSG_CONTENT_FILE=News_Releases_2009/News_Article_001554.xml

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 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>.

Alcatel-Lucent Press Contacts

Régine Coqueran
Wim Van Daele

Tel: + 33 (0) 1 40 76 49 24 regine.coqueran@alcatel-lucent.com
Tel: + 32 (0) 3 240 46 01 wim.van_daele@alcatel-lucent.be

Alcatel-Lucent Investor Relations

Rémi Thomas
John DeBono
Tony Lucido
Don Sweeney

Tel: + 33 (0)1 40 76 50 61 remi.thomas@alcatel-lucent.com
Tel: + 1908-582-7793 debono@alcatel-lucent.com
Tel: + 33 (0)1 40 76 49 80 alucido@alcatel-lucent.com
Tel: + 1 908 582 6153 dsweeney@alcatel-lucent.com