

Broadband services remain a top spending priority for consumers even in tight economic times, research shows

Paris, June 25, 2009 – Consumers are unwilling to part with their broadband services at home even in the midst of the economic downturn, preferring to cut spending on things like dining out and leisure travel, according to a series of recent studies sponsored by Alcatel-Lucent (Euronext Paris and NYSE: ALU).

These findings were uncovered as part of a global study exploring the impact of the economic recession on spending for telecom services and the role broadband services can play in promoting global economic growth and social welfare. The study, conducted by Alcatel-Lucent's Market Advantage Program (MAP) -- in cooperation with market research firms Penn, Schoen & Berland Associates and Ipsos MediaCT -- employed statistical analysis to determine how consumers prioritize household spending, given a recessionary mindset, comparing the relative value of a wide variety of specific fee-based services.

Broadband services appear to be nearly recession-proof, with 84 percent of consumers identifying broadband as an essential network service and therefore the least likely target for spending cuts. The studies also showed that more consumers globally are planning to subscribe to and/or upgrade their broadband services, even while reducing spending in other areas. Key factors driving this preference include a desire to reduce the cost and travel time associated with commuting, coupled with a preference for greener alternatives. In developed countries, respondents also noted a growing dependence on the Web as an information source, business tool, social network and entertainment venue.

“This clearly shows that people across the world rely on broadband services as a central part of their social and economic lives,” said Tim Krause, Chief Marketing Officer for Alcatel-Lucent. “As the world looks at ways to address the twin challenges of economic growth and climate change, our research shows that broadband and the digital economy must absolutely be at the top of decision making agendas.”

The research indicated that attitudes about broadband cut across regions and socio-economic strata, however it also revealed distinctions in attitudes about the economy between consumers in high-growth markets and those in more developed markets.

In markets such as France, for example, consumers indicate that the financial crisis has had a greater negative impact on their household when compared to consumers in other countries.

In contrast, people in emerging countries are more optimistic about the future than those in developed countries around the world. While two thirds of consumers indicated they are cutting expenditures, 85 percent of consumers from emerging countries indicated that their household economic situation would be the same or better a year from now compared to 64 percent of respondents in the developed countries.

About the Market Advantage Program & Alcatel-Lucent's Research Initiatives

This research is part of a broader initiative by Alcatel-Lucent to characterize the impact and potential benefits of telecommunications services on the global community. The Alcatel-Lucent Market Advantage Program (MAP) is an exclusive resource created to partner with service providers in analyzing and identifying new market opportunities, driving demand with effective marketing programs and closing profitable new business faster.

For more information on MAP and how we are working with service providers and stakeholders across the world to better understand consumer needs, please visit. www.alcatel-lucent.com/map

Information on additional Alcatel-Lucent research and market development-related initiatives can be found at the following links:

- [Alcatel-Lucent launches "Broadband for All" program in United States to help telecom providers addressing broadband stimulus funding opportunities](#)
- [Alcatel-Lucent and Telecommunications Journal of Australia launch 3rd "Broadband Environment Challenge" at the Sustainable Fibre Nations industry forum](#)
- [Alcatel-Lucent appoints executive for National Broadband Network \(NBN\)](#)
- [European study presents findings on invention of online and interactive television applications by end-users](#)

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 unrivaled 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
Kurt Steinert

Tel: + 33 (0)1 40 76 49 24 regine.coqueran@alcatel-lucent.com
Tel: +1 908 582-5832 ksteinert@alcatel-lucent.com

Alcatel-Lucent Investor Relations

Rémi Thomas
Tom Bevilacqua
Tony Lucido
Don Sweeney

Tel: + 33 (0)1 40 76 50 61 remi.thomas@alcatel-lucent.com
Tel: + 1 908-582-7998 bevilacqua@alcatel-lucent.com
Tel: + 33 (0)1 40 76 49 80 alucido@alcatel-lucent.com
Tel: + 1 908 582 6153 dsweeney@alcatel-lucent.com