Alcatel-Lucent first to introduce 100 Gigabit Ethernet capabilities at the service provider edge to support sophisticated, super-fast broadband services

Leverages silicon innovations to deliver massive bandwidth where it is needed most, offering industry-leading speed, services support and power efficiency

Paris, July 16, 2009 — To help service providers around the world meet the massive bandwidth demands caused by explosive growth in video traffic and sophisticated consumer and business IP services, Alcatel-Lucent (Euronext: Paris and NYSE: ALU) today introduced the industry's first 100 Gigabit Ethernet service routing interface for the edge, where service providers need it most. The new service interface leverages unique silicon innovations to deliver massive bandwidth to support a wide variety of end-user services with industry-leading speed and quality, while offering dramatic improvements in power efficiency.

The edge of the network is critical because it's considered the 'command center' where most of the intelligence in the network resides, and where determinations are made about how individual services, such as high-definition video, need to be handled to ensure an optimal experience for end-users. Expanding capacity at the edge enables service providers to simultaneously reduce the cost per bit of IP transport substantially, while also enhancing their network to deliver increasingly sophisticated high value services. Alcatel-Lucent's groundbreaking new offerings are the first in the industry to address these dual requirements.

"TELUS is committed to innovating and delivering new services for residential, business and mobile customers in all our markets focused in Canada. These new services and the traffic they generate require a combination of speed, scale and high availability," said Eros Spadotto, Executive VP, Technology Strategy, TELUS, a leading national telecommunications company in Canada. "Selecting advanced platforms that enable us to evolve our network to support 100 Gigabit Ethernet gives us the assurance that we can continue to introduce the most sophisticated services and meet the needs of our customers now and far into the future."

Through the introduction of a 100 Gigabit service interface on its 7750 Service Router (SR) and 7450 Ethernet Service Switch (ESS), the Alcatel-Lucent service router portfolio will deliver 100 Gigabit performance while continuing to support the full scope of broadband services – speed, services and scalability with no compromise. This is an essential requirement for operators carrying premium managed services such as business VPNs and IPTV alongside "over-the-top" traffic such as web-based video.

"Traffic keeps growing, but service providers need to make money. For this, they not only need higher speeds and capacities, but they need service flexibility at the same time," stated Michael Howard, principal analyst at Infonetics Research. "We're encouraged to see Alcatel-Lucent support 100 Gigabit Ethernet with services enablement for the edge and the metro, as well as high-speed transport in the core. The fact that these products use the Alcatel-Lucent FP2 silicon that's been shipping for over a year helps reduce risk as service providers move to 100 Gigabit interfaces within their networks."

At the heart of the 100 Gigabit Ethernet capability is Alcatel-Lucent's award-winning, home-grown FP2 silicon. Shipping since July 2008, the FP2 silicon now enables the 7750 SR and 7450 ESS to support 100 Gigabit linecards, a 2x increase in performance compared to today's line cards, further building on the company's innovation and leadership position. This means that

operators who have deployed Alcatel-Lucent service routers since 2004 can simply add new line cards and immediately multiply capacity up to 100 Gigabits per slot without service interruption.

"Delivering higher performance networks and reducing power consumption per bit is essential to meeting the needs of service providers worldwide. What sets Alcatel-Lucent's service routers apart from the rest of the industry is the combination of speed, scale and multiservice flexibility – it's these capabilities which enable service providers to generate more revenue from their networks," said Basil Alwan, president of Alcatel-Lucent's IP activities. "Our focus on service performance and scale, not just capacity, is how we continue to enhance the service routing proposition to deliver value and investment protection to our customers."

"The combination of high performance and intelligence is also absolutely critical as operators evolve to what Alcatel-Lucent calls the 'high leverage network.' This is a fully converged, scalable, next generation, all-IP multiservice infrastructure that enables operators to deliver traffic more reliably, efficiently and at the lowest cost, while also leveraging the network to generate revenue from sophisticated managed services and applications," Alwan added.

For service providers, minimizing space and power requirements remain key vectors for containing costs and maintaining an environmentally friendly operation. Alcatel-Lucent's FP2 silicon innovations and enhancements in thermal efficiency reduce power consumption to levels approaching four watts per gigabit with the new 100 Gigabit Ethernet interface modules, a significant improvement compared to the 10 Gigabit and 40 Gigabit alternatives widely deployed today. These enhancements further reduce the already low power consumption profile of Alcatel-Lucent's router portfolio, which is among the best in the industry.

For service providers needing greater than 10 Gigabit Ethernet density, but not yet ready to move to 100 Gigabit speeds, Alcatel-Lucent also today introduced a new 10-port 10 Gigabit Ethernet line cards for the 7750 SR and 7450 ESS. Based on the same FP2 silicon, these line cards deliver up to three hundred 10 Gigabit Ethernet ports in a standard telecom rack, including support for a full range of IP/MPLS services.

The new line cards will be available for demonstrations in 4Q 2009 and commercially in mid-2010.

Alcatel-Lucent has shipped more than 35,000 IP/MPLS service router portfolio systems since 2004, resulting in an installed base of more than 270 service provider customers in 100+ countries. In 1Q09, Alcatel-Lucent took over the #1 position in IP Edge Routing in the Europe, Middle East and Africa region according to Infonetics and reinforced its #2 global position at 20 percent. For more information, please visit: www.alcatel-lucent.com/ipnews

Press Conference details

Alcatel-Lucent will hold a web press conference for this announcement **today, July 16, at 8am PST/ 11am EST/** 5pm CET, which will be hosted by the president of Alcatel-Lucent's IP Division and head of Carrier Group Portfolio Strategy, Basil Alwan.

To access the audio session please dial:

PARTICIPANT TOLL FREE: **1-800-988-9362**
PARTICIPANT TOLL (International): **1-312-470-7359**
Participant Passcode: **8135800**

To access the webcast URL click on:

http://alcatel-lucent.na3.acrobat.com/ipstrategy/

If journalists would like to ask questions following the event please contact sarah.miller@alcatel-lucent.com or kurt.steinert@alcatel-lucent.com.

The press conference will be available for digital replay immediately following the event on the Alcatel-Lucent website at the following link: http://alcatel-lucent.na3.acrobat.com/ipstrategyreplay/.

About Alcatel-Lucent
Alcatel-Lucent (Euronext Paris and NYSE: ALU) is the trusted partner of service providers, enterprises and governments worldwide, providing solutions 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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