

China Telecom selects Alcatel-Lucent for IP backbone across ten provinces

Paris, August 26, 2009 - Alcatel-Lucent (Euronext Paris and NYSE: ALU) today announced it has signed a centralized purchasing contract with China Telecom, China's leading telecom operator, to provide and maintain an IP/MPLS backbone across ten provinces (Guangxi, Hubei, Jiangxi, Ningxia, Sichuan, Jiangsu, Guizhou, Gansu, Xinjiang and Shanghai). Upon completion in October 2009, China Telecom will be able to deliver advanced broadband services with superior quality to its millions of subscribers. The contract which is part of the USD700 million framework agreement recently signed between China Telecom and Alcatel-Lucent, was awarded to Alcatel-Lucent's Chinese flagship company, Alcatel-Lucent Shanghai Bell.

"This agreement builds on our longstanding collaboration with China Telecom and our commitment to ensure our customer has a state-of-the-art network which supports its business goals and strategy," said Olivia Qiu, President of Alcatel-Lucent in East Asia and Alcatel-Lucent Shanghai Bell. "This win also strengthens Alcatel-Lucent's leading position in the Chinese IP market and is a further recognition of our ability to assist operators around the globe in their journey to all-IP networks."

Alcatel-Lucent will deploy its 7750 Service Router (SR) and 7450 Ethernet Service Switch (ESS) providing the bandwidth, scale and service awareness required to support the growing market for more personalized, broadband offerings such as IPTV, WebTV, Virtual Private Networks, and 3G/4G mobile.

Over 270 service providers in more than 100 countries around the world have selected the Alcatel-Lucent IP/MPLS portfolio as key elements of their IP transformation. According to Ovum RHK, Alcatel-Lucent holds the #2 position in the IP/MPLS Edge market segment worldwide, and the #1 position in EMEA.

About China Telecom

China Telecommunications Corporation (China Telecom) is an extra-large state-owned telecom operator organized according to China's telecom industry reform scheme. As a principal telecom enterprise and the greatest basic telecom operator of China, China Telecom owns the global largest fixed-line telephone network that covers the cities and towns as well as the rural areas of China and penetrates to every corner of the world. Member units of China Telecom include 31 provincial (municipal and autonomous regional) enterprises which provide telecom services nationwide.

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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